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WHO WILL PAY THE RELIEF BILL?

WITH a vast number of our people out of work—estimates varying from 10 to 15 million—and the burden of unemployment rising, the question presents itself: Who will pay the bill? Clearly private relief sources are unable to shoulder any material part of the increased burden. Between October, 1931, and October, 1932, it is estimated that the expenditure from public funds increased 111.2 per cent, that from private funds 3.8 per cent; and while in 1930 and 1931 about 30 per cent of the total relief funds were from private sources, in 1932 only 12 per cent came from these sources.[1]

If the major portion of relief funds is to come from governmental sources it is necessary to examine, first, the degree to which federal, state, and local tax sources can be expanded; and second, the extent to which borrowing can be relied upon to provide relief funds.

It must be borne in mind, too, that while several potential revenue sources exist, the tapping of these sources is often dependent on the consent of legislators and of the taxpayers themselves, both of which may be difficult to secure. In this paper an attempt is made to discuss elasticity of sources in the light of political conditions, and the "economy" tenor of taxpayers, and to distinguish between what might be done and what probably can be done.

[1] *United States Daily*, January 13, 1933, p. 3.

I

In towns, cities, and counties the mainstay of the revenue system is the general property tax, falling in theory on real and personal property. In practice, however, personal property has escaped largely from the assessment rolls; and the tax tends increasingly toward a tax upon real property. As the cost of government has mounted during the last few decades, the inequalities of the so-called general property tax have become more and more apparent; and the last two or three years witnessed a growing "tax consciousness" among the owners of urban and rural property.

The United States Bureau of the Census has published recently some interesting figures regarding the fiscal position of American cities of 30,000 or more population. In 1930 the cost of government in such cities was almost 4 billion dollars, or 66 per cent greater than the cost of all the 48 state governments combined and almost 3 per cent greater than the cost of the federal government. The total revenue receipts of these cities for 1930 amounted to almost $3\frac{1}{2}$ billion dollars, of which over 63 per cent came from general property taxes. If special assessments, which fall entirely upon real estate, are included, 70 per cent of the receipts of cities of 30,000 or more population came from levies on real and personal property.[2] The importance of general property taxes becomes even greater in rural areas and in towns and cities of less than 30,000 population, since it is estimated that the general property tax furnishes more than 90 per cent of all local receipts.

The situation has become particularly acute in rural areas. It is estimated by the Department of Agriculture that farm real estate taxes in 1932, although 20 per cent below the 1929 peak, were still approximately double the 1913 tax per acre.[3] Farm income has been reduced drastically since the middle twenties, in many cases to the vanishing point. The plight of the American farmer is further illustrated by the fact that in the year ending March 15, 1932, the number of farms sold for tax delinquency was 13.3 per 1,000 farms, compared with 7.4 in the preceding year.[4] As a result of depressed prices,

[2] *Ibid.*, May 14, 1932, p. 1.

[3] *Ibid.*, January 17, 1933, p. 1.

[4] *Ibid.*

adverse crop conditions, and high taxes, farmers have felt their tax burdens to an ever increasing extent; and their protests have been swelled by those of urban property-owners who likewise groan under their load. The prospect of increasing property taxes in the face of these conditions is indeed poor. Even if increased property taxes could be secured, it is probable that increases in revenue would not be great, since evasion and delinquency would be stimulated by higher rates.

The other sources of county and local revenue—such as licenses, fees, fines, and rents—are by their very nature incapable of much expansion; and it must be borne in mind that most of the possible additional revenues will be needed to balance even the reduced budgets now being set up. The last few years have brought considerable curtailment in public expenditures, often blindly and without regard to the effect of economy on social well-being; but many counties and localities are hindered in their economy moves by fixed charges made mandatory by legislative action—such as school costs, salary payment under contract, etc. Finally, many subordinate political divisions are limited as to their tax rates, so that they are experiencing difficulty in securing sufficient revenues to balance budgets at economy levels.

II

Most of our states in the past depended upon the general property tax for the major portion of their revenues; but during the last few decades this dependence has decreased as other forms of taxation—such as inheritance, income, corporation, and gasoline taxes—have been developed in many of our states. Now somewhat less than 20 per cent of state receipts come from general property taxes, and several states have relinquished property taxes entirely as a source of state revenue.

Beginning with the Wisconsin income tax of 1911, state income taxes have been adopted fairly rapidly; and at present they are found, in one form or another, in twenty-one of our states. The spread of inheritance taxation has been even more rapid, and Nevada now stands as the only state having no form of death duty. So far as these levies are concerned, two possibilities exist: first, those states now using income and inheritance taxes might raise their

rates; and second, where these levies are not now used, suitable legislation might be passed to make them a part of the revenue system. It is significant that income tax increases have been strenuously opposed in several states, and reduction of expenditures rather than tax increases have been demanded by rural and urban taxpayers. So far as inheritance taxes are concerned, there are serious objections to sudden and temporary increases to help defray emergency burdens.

While a large number of our states do not at present levy state income taxes, the necessary votes to introduce such taxes would probably be difficult to secure. It is significant that during the last few months a considerable number of state legislatures have rejected income tax proposals. The same difficulty is likely to be encountered in introducing sales taxes, or other additions to the revenue systems. In short, expenditure reduction has become the by-word, and taxpayers in all quarters are looking askance at any proposals to introduce new tax sources or expand already existing sources. Even where such increases are possible, the additional funds are generally required to balance existing budgets at economy levels; and new expenditures would be frowned upon most severely.

It has been proposed in several states that the gasoline tax, at present very productive in yield, should be used for purposes other than the construction and maintenance of roads. This "special benefit" tax, paid probably less painfully than any of our taxes, immediately assumed a new importance; and opposition to diversion of gas tax money to other purposes developed rapidly. Automobile associations and clubs have urged motorists to protest against such diversion, no matter how laudable the object on which it is proposed to spend the gas tax funds; and the air is full of "squawking from the gasoline goose" which now lays such golden eggs.

Unless considerable pressure is brought to bear on state legislatures, we cannot expect to see old taxes increased and new taxes introduced for the purpose of providing funds for relief activities. Wherever such action is taken by legislatures, the impelling reason is usually the fetish of "budget balancing," the main purpose being to equate income and outgo for certain arbitrary periods without regard to what effect this balancing will have upon business conditions and

economic and social welfare. Attention may wisely be directed toward the view now being expressed in some quarters that budgets should be balanced over a period of years, rather than annually, taking into account the alternate periods of prosperity and depression which characterize our economic life. Taxpayers will, in some cases, assume additional burdens to balance the budget while they will refuse to shoulder themselves with further burdens for additional relief activities.

III

For the fiscal year ending 30, 1931, the federal government collected about 3½ billions in ordinary receipts. Of this total 56 per cent came from corporation and individual income taxes; 15 per cent from miscellaneous internal revenue receipts; 11 per cent from customs duties; and 1½ per cent from estate taxes.

When the Congress of 1931–32 met, a deficit of 900 millions for that fiscal year was an established fact, and, as a result, the Revenue Act of 1932 was passed to raise an additional 1 billion dollars to balance the budget in 1932–33. This act raised the income tax rates, provided for an additional estate tax and a gift tax, and instituted various excise and miscellaneous taxes, often referred to as "nuisance taxes." Although full productivity of these taxes was not expected until 1933, a few months' experience has produced disappointing results in several of the new levies. Facing a combined deficit of almost 4 billions for the last two fiscal years, and an estimated deficit of upwards of 1 billion for the present fiscal year, Congress has been grappling with the problem of budget balancing, in which sales taxes and taxes upon beer figure prominently.

It is problematical what steps Congress will take to increase federal revenues. Income taxes might be further increased, and press reports indicate that plans proposed at Democratic conferences would carry this out. At present, income and estate taxes are at about the 1922 level, but have not reached the peak of 1918–21. It is a matter of reasonable doubt whether or not higher rates in the upper income brackets will greatly increase the productivity of the tax. Table I indicates briefly what is happening to our income taxes in this country.

It is significant to note that the recent decline in incomes is not

uniform throughout the various income classes. The income of corporations declined by about 45 per cent between 1930 and 1931,[5] causing a consequent decline in government collections. So far as individual incomes are concerned, Table II presents the changes between 1928 and 1930 (the last year for which figures are available).[6]

TABLE I

Income	Taxes Paid in 1932	Taxes Paid in 1933	Taxes Proposed
$4,000	$5.63	$60	$180
5,000	16.88	100	240
10,000	101.25	480	880
20,000	618.75	1,680	2,480
50,000	5,588.75	8,600	10,600
100,000	15,768.75	30,100	34,100
500,000	115,168.75	263,000	283,600
1,000,000	240,768.75	571,000	611,100

The greatest decline in incomes is apparent in the upper ranges; and "soak the rich" arguments must take into account the fact that the "rich" are neither so numerous nor so rich as they once were. Although more steeply progressive income tax rates would aid in redistributing wealth, if any considerable increase in revenue is to be

TABLE II

Income Classes	Percentage Decrease in Number of Returns	Percentage Decrease in Income Tax
$5,000–$10,000	9.9	22.3
10,000–100,000	30.1	49.1
100,000 and over	61.0	66.1

secured from higher income tax rates it will probably come largely from tapping others than the "rich." Some increases in revenue could probably be secured by changing bracket limits and reducing exemptions; but again the increased yield is problematical.

Another possibility is a general sales tax, instead of the numerous "nuisance taxes" now levied; but again politics will decide the issue. Beer taxes, too, will be contingent upon the enactment of legislation

[5] *Ibid.*, December 28, 1932, p. 1.

[6] *Annual Report of the Secretary of the Treasury, 1931.*

dealing with the prohibition question. Another source of government revenue is through lowering the existing tariff barriers, thus stimulating trade and increasing customs revenue. Under the present Democratic administration, this may be more than a mere possibility.

IV

Although, taking political and other factors into account, the elasticity of existing and potential tax sources is not great, and what expansion is possible will undoubtedly be utilized to balance budgets at economy levels, the fact remains that relief funds must be secured —if not by taxation, then by borrowing.

Counties and localities in many parts of the country have already voted bond issues, the proceeds of which are devoted to relief activities. While relief funds can be secured in certain areas by this means, no concerted relief policy could be instituted by local borrowing. Many bond issues would be rejected at the polls, even though the funds were destined for relief purposes, on the grounds that heavier tax burdens would be necessary for interest and redemption of the bonds. In many other areas where people might willingly bond themselves to provide relief funds, constitutional restrictions prevent this action being taken, since many counties and localities are permitted to borrow only up to a certain percentage of the assessed value of property located within the area. In New York, for example, city and county indebtedness, including existing indebtedness, is limited to 10 per cent of the assessed value of real estate in such city or county;[7] in Illinois the limit is 5 per cent of the taxable property;[8] and in Pennsylvania, excepting the city of Philadelphia, 7 per cent of the assessed value of property;[9] while several other states have similar restrictions. In most cases these limits already have been reached, and districts have been multiplied, so that their borrowing capacities might be exploited to the fullest. Finally, the market for local securities is in many cases exceedingly narrow. Although county and municipal defaults have not reached alarming proportions as yet, many investors are becoming wary of such issues.

[7] *New York Constitution*, art. viii, sec. 10.

[8] *Illinois Constitution*, art. ix, sec. 12.

[9] *Pennsylvania Constitution*, art. ix, sec. 8.

In regard to state borrowing, much the same situation prevails. Restrictions imposed, in many cases years ago before the price increases of recent years, place definite limitations on state borrowing; and additional issues by states already borrowing to meet current operating expenses would, in many cases, incur the disapproval of voters whose taxes would be raised to pay interest and redemption charges. Again, as in the case of localities, while many states might be able to secure additional relief funds by borrowing, all would not be able to do so; therefore, a concerted relief policy would not likely be instituted if dependent on state borrowing.

V

To provide relief funds where state and local sources were unable to carry the burden, the federal government has recently broadened the powers of the Reconstruction Finance Corporation, through the passage of the Emergency Relief and Construction Act of 1932.

During 1931 the construction of public works was encouraged, the basis having been laid by the 1930 Relief Act which appropriated 116 million dollars for roads, flood control, and the development of rivers and harbors. This increase in federal construction, however, was probably largely offset by a sharp reduction in state and municipal construction because of shortage of funds. It was hoped by the President that the problem of relief could be met locally through the use of local funds; but gradually the need for federal aid was recognized.

On December 9, 1931, Senator La Follette of Wisconsin introduced an emergency relief bill (S. 262) proposing that the federal government expend 250 million dollars to help the states and localities in meeting relief demands. On the same day Senator Costigan of Colorado introduced a bill (S. 174) providing 250 million dollars for the fiscal year ending June 30, 1933, to be allocated to the states on a population basis.[10] These two bills were combined into one bill (S 3045) providing 375 million dollars for relief purposes; but after several weeks of heated consideration the Senate, on February 17, 1932, defeated this so-called La Follette-Costigan bill by a vote of 48 to 35.

Although several bills were introduced designed to provide relief

[10] *United States Daily*, December 10, 1931, p. 1.

funds, the attention of Congress was directed largely toward the formulation of the Revenue Act, and serious consideration was not given to relief measures until late in May, 1932. The bills receiving most consideration at this time were the so-called Garner and Wagner bills; and the final bill which came from conference and was sent to the President represented a combination of these bills, carrying a total of $2,122,000,000 to be divided into three parts:

1. $1,500,000,000 for loans through the Reconstruction Finance Corporation to private enterprise, with preference to be given self-liquidating projects.

2. $300,000,000 for direct advances to states or municipalities on the basis of need.

3. $322,000,000 for a public works program.

The President had already voiced his opposition to the bill as pork-barrel legislation, as leading to excess construction of non-productive works, and as giving too much power to the Reconstruction Finance Corporation; and accordingly on July 11 he vetoed it.[11] On the basis of a compromise suggested by the President, the Senate and House, after considerable disagreement, passed the Emergency Relief and Construction Act on July 18, which received the Presidential approval and thus became law. The main provisions of the bill are:[12]

1. $300,000,000 for temporary loans by the Reconstruction Finance Corporation to such states as are absolutely unable to finance the relief of distress. Interest on such loans is to be charged at the rate of 3 per cent per annum, and the principal is to be reimbursed to the Corporation by annual deductions of one-fifth from future federal highway grants, beginning in the fiscal year 1935.

2. $1,500,000,000 for loans through the Reconstruction Finance Corporation for self-liquidating projects.

3. $322,244,000 for a program of public works.

The purpose of the temporary loans is to provide relief where private agencies and local and state governments are not able to meet the demand. The chairman of the Board of Directors of the Reconstruction Finance Corporation, Mr. Pomerene, in an address to the Welfare and Relief Mobilization Conference last September, stated that "the ultimate responsibility for furnishing relief . . . . to

[11] *Ibid.*, July 12, 1932, p. 1. [12] *Ibid.*, July 18, 1932.

the people in distress, therefore, does and should rest with the States, the political subdivisions of states, the municipalities, and the citizens themselves. The National Government has not assumed this responsibility. The fund which Congress has made available through the Act is to be repaid to the Corporation . . . . they [funds] are not in lieu of, but simply to supplement State, local, and private funds. This Act must not be construed in any way to lessen the continued responsibility of the State and local governments, or of private contributors."

The money is to be paid to the states and territories upon the application of the governor, who must certify that such funds are necessary and also that the resources of the state, its political subdivisions, and private agencies are inadequate to meet relief needs.

Loans aggregating $325,268,080 for use in providing emergency relief to states and territories and for self-liquidating projects have been approved by the Reconstruction Finance Corporation up to February 15, 1933. Of this sum, $155,809,134 is for construction projects and $169,458,946 for direct relief.[13]

As the relief problem has grown in magnitude, further demands for federal participation have been made; and Congress is at present considering the problem. On December 1, 1932, Senators Costigan and La Follette introduced a bill (S. 5125) providing for the creation of a bi-partisan Federal Emergency Relief Board to administer a fund of $500,000,000, 40 per cent of which would be apportioned among the states in proportion to population, the remainder being used for administrative expenses and as a reserve fund for emergency allotments to states where the amounts apportioned on a population basis were insufficient to meet the needs. It is significant that the bill provided for apportionment of funds among the states to be administered by state authorities and not for loans as did the Emergency Relief and Construction Act. The Senate, however, rejected the program of direct federal grants, and on February 20 passed the Wagner unemployment relief bill increasing by 300 million dollars the loaning power of the Reconstruction Finance Corporation for aid to the states and for construction work.[14] Up to the present (March 15) no further developments have taken place.

[13] *Ibid.*, February 20, 1933, p. 1.

[14] *Ibid.*, February 21, 1933, p. 1.

VI

In formulating relief policies, the following considerations seem pertinent:

1. Any considerable increase in relief funds from taxation seems improbable, since local tax sources possess little elasticity; while political issues and the efforts of vested interests will undoubtedly prevent any great use of what elasticity there is in our state and federal tax systems.

2. The revenues accruing from what tax increases can be secured will be devoted largely to balancing the budgets of local, state, and federal governments; leaving little, if anything, for expansion of existing activities. Economy rather than generosity in the dispensing of public money seems to be the watchword.

3. While a "pay-as-you-go" policy has many advantages, the seriousness of the present situation justifies a resort to public borrowing. Steps should be taken, however, to reduce this debt as soon as more prosperous conditions permit.

4. There is only a slight degree of elasticity in local and state borrowing possibilities; hence a concerted policy would seem to demand federal participation.

5. Borrowing can be done advantageously by the federal government at low interest rates; this was demonstrated last December when the Treasury Department borrowed 250 million dollars through the issue of one-year certificates bearing interest at the rate of $\frac{3}{4}$ of 1 per cent. This issue was oversubscribed some sixteen times. About the same time 350 million dollars was borrowed on four-year notes bearing interest at $2\frac{1}{4}$ per cent; and, again, this issue was oversubscribed by some twenty times.

However, no money should be handed over to the states until they have co-operated to the fullest extent; nor should control be lacking in regard to the way in which the states spend relief funds. If states and localities are given relief funds without first being asked to draw upon their own resources, past experience indicates that "come easy" money is also "go easy" money. If states and localities have utilized their own resources to the fullest, it is inevitable that the federal government should stand as a last resource.

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THE MOVEMENT TOWARD UNEMPLOYMENT INSURANCE IN OHIO

WHEN (or must one still say—if?) in the uncertain future, near or distant, an effective system of unemployment insurance will have become a standard aspect of America's industrial situation, as workmen's compensation has in the last twenty years, the future historian of social trends will recognize the important part that has been played by the *Report of the Ohio Commission on Unemployment Insurance.*

There were several somewhat fortuitous circumstances which gave it a significance seldom achieved by a government report. No great social discovery or invention may be claimed on its behalf. It did, however, have the good fortune of appearing at a moment of singular significance: almost on the eve of presidential elections, fought out primarily over an unemployment situation such as industrial America had never seen before; a political conflict between two parties (or shall we say three?) of which at least one (or respectively two) has definitely taken a stand in favor of unemployment insurance while the party in power refused even to refer to it in its platform; coming before the American people almost simultaneously with the dramatic reversal by the American Federation of Labor of its attitude from violent antagonism to equally decisive advocacy (the reversal being particularly fitting because it took place by mere accident in the second largest city of the state), and finally, followed as it was within a few weeks by the annual meeting of the American economic and statistical associations, again in the city of Cincinnati, at which meeting the problem of depression and unemployment was inevitably the main subject of discussion and unemployment insurance demonstrated its strength at least in American scientific thought.

Surely, a most unusual combination of coincidences which anyone so inclined is at liberty to interpret either as the workings-out of blind fate or wise Providence.

THE COMMISSION

There is little that is novel or exciting about state investigating commissions. They have become a standardized method of American public life either for promoting or—sometimes—for diverting and suppressing efforts toward constructive legislative progress. Such commissions may be purely legislative and then differ from each other largely in the varying proportion of representatives of the two houses and the two parties, but with the intellectual equipment of a fairly uniform quality.

When the power of appointment is less restricted, the usual type of a citizens' commission is familiar, consisting of a conglomeration of representatives of different geographic parts of the state, and different social and occupational groupings, particularly so when dealing with relations of capital and labor: representatives of capital, of organized labor, of agriculture, perhaps of financial interests, etc. To represent the public, usually a minority of distinguished names is included—and, of course, since the adoption of the Nineteenth Amendment there must be at least one representative woman.

That is the type, and as compared with this type the Ohio Commission was undoubtedly "different," and it was this "difference" that, long before the *Report* was published, in fact almost immediately upon its appointment, was made the subject of violent attacks about both the appointing authority and the appointees. Almost within twenty-four hours the Ohio Chamber of Commerce objected to this personnel as consisting of academicians and theorists; and the objection continued except that when the *Report* did appear, much stronger characterizations of the Commission were used. Even more emphatic was the objection that the Commission could not consider the matter impartially because the majority had already definitely committed itself in favor of unemployment insurance.

To be quite fair to the opposition (although the writer frankly confesses that it requires considerable effort), there was some ground for criticism, at least in so far as the Commission was different. As originally constituted—and there was only one change in its make-up during the year—it consisted of eleven persons, to wit: One member of the Ohio Senate, who is an attorney; one secretary of a local chamber of commerce, previously a college instructor; one manu-

facturer; one master of the grange; one representative of organized labor; one clergyman, well known for his deep interest in progressive social policies; one social worker, a woman with special interests in industrial relations; one attorney who, since then, has achieved his seat in the United States Congress; one secretary of a fraternal organization who happened to have devoted some thirty years to the study of social insurance; and two university professors of economics.

Apparently the particular criticism as to the excessive number of theorists was directed against the two professors and possibly to the unattached social-insurance expert. When, in the spring, the senator chairman resigned, another young college professor was appointed to fill his place by the governor, who thus subjected himself to a charge almost of compounding a felony, for *three* professors on *one* Commission was entirely too much for a chamber of commerce to swallow.

As to the charge of "prejudice," again it is quite true that of the eleven members four or five had definitely aligned themselves in favor of unemployment insurance in advance of their appointment, and, therefore, in the opinion of the gentlemen of the chamber of commerce could not be expected to conduct an honest inquiry. Of course, the stand of these four or five men could not but have been known to the governor in advance. The joint resolution of the legislature which authorized him to appoint a commission stated its duty to be: "To investigate the practicability and advisability of setting up unemployment reserves or insurance funds to provide against the risk of unemployment and to recommend what form of legislation, if any, may be wise or suitable to Ohio as a separate State."

It is true of the problem of unemployment insurance, as it must be of most other problems which come up for legislative decision, that all humans may be divided by and large into three groups: (1) a small minority who know something about the subject and are in favor of the proposal, (2) an equally small minority who know something and are opposed to the proposal, (3) an overwhelming majority of perfectly good citizens who know nothing at all about the subject one way or the other. At best, such a majority is neutral. Usually, however, because of the natural conservatism of the human, it is opposed to the proposal because it knows nothing at all about it. The selections had to be made in some proportion out of these three groups. The importance and the complexity of the subject entirely

unfamiliar to the American citizen and the shortness of time available to the Commission—approximately one year—were factors which would have been destined to result in failure if the Commission were largely constituted out of the third group.

There is definite information that the appointment of the expert on social insurance was primarily due to the consideration of making available his experience and knowledge to the Commission without cost. Probably the chambers of commerce and manufacturers' associations would have raised no voice of objection if the Commission was entirely constituted of the second and third group. It was the presence of the four persons, familiar with the subject and also in favor of the proposal, that seemed to constitute an unpardonable sin. So unusual is this selection of competent individuals on investigating commissions that even the friends of the measure felt somewhat embarrassed and uncertain as a result.

The favorable attention which the *Report of the Ohio Commission* has gained for itself within a few weeks, the demand for copies of the Commission's *Report*, should be sources of gratification to the appointing authority, and may establish a precedent worthy of emulation.

THE "REPORT"

It is Part I of the *Report*, entitled "Conclusions and Recommended Bill," a pamphlet of less than one hundred pages, which has been widely distributed and commented upon. The second part, a much larger volume, contains the results of various studies arranged for and edited under the very able supervision of the Commission's executive secretary. The larger report, intended for the more specialized reader, contains various studies dealing with the extent of the problem (namely, statistics of unemployment, wage loss, etc.), the social effects (degree of destitution and its extent upon the life of a substantial part of the people in Ohio), analysis of various remedial methods applied to the situation, such as private and public relief, study of comparative situations in European countries, of legislative proposals in other states, and such technical studies in support of the Commission's recommendation as actuarial computations of cost of the recommended scheme, analysis of arguments against unemployment insurance, etc.

The student of economics and statistics may find in the second

volume material of considerable interest. It is hoped that the specialized actuarial studies may prove of assistance to other states confronted with the same problem and searching for the same solution. It is, however, but fair to say, without in any way minimizing the interest of these studies, that they contain little of striking novelty. The problem of unemployment is not new. It has been made the subject of many studies, private and public, its catastrophic results are obvious, and the time seems to have passed when it is necessary to draw pathetic pictures of the mass suffering of the millions of unemployed and those who depend upon them.

In the state of Ohio already nearly one million human beings, or one-sixth of the population, are being fed by private or public (by this time very largely *public*) relief. The total number of those out of work (and their dependents) who are in danger of sinking to the same level, though they may still be able to draw upon some other personal or family resources, is more than twice as large. The effectiveness of the emergency relief in Ohio is surely no lower and possibly even somewhat higher than in many other states, but the average family relief, fluctuating between ten and fifteen dollars a month, is sufficiently harrowing to make illustrations unnecessary.

The Commission did hold hearings, it did ask questions as to the conditions, the prevailing relief measures and degree of their adequacy. It did hear heart-rending stories from social workers, from ministers, and from the unemployed themselves, but amassing of facts of this character is now a waste of valuable time, and only causes unnecessary delay of necessary action.

THE CONCLUSIONS OF THE COMMISSION

Small wonder that the Commission has come to the conclusion that charity and relief, whether private or public, have broken down as a method of meeting the situation. Perhaps one is safe in assuming that even the two dissenters out of eleven, who refused to sign the *Report*, would be ready to agree with this first conclusion.

The majority, therefore, further concluded that some other method was advisable, a method more effective from a material point of view and less destructive of personality values; that insurance was a better method; that to be effective it must be a compulsory insur-

ance system and not left to the voluntary action of either employers or employees, because of ample evidence of experience for many decades in this country as well as abroad, that the voluntary insurance method is extremely slow in developing, includes only a small proportion of those who need it, penalizes the humane employer and thrifty employee at the expense of their competitors who may be neither. It is on these few fundamental principles that the entire proposal for unemployment insurance, as recommended by the Commission, is based. We shall proceed to analyze this proposal briefly and then to discuss the merits of the proposal and the merits of objections that already have been raised against it.

THE SYSTEM OF INSURANCE

It is proposed to establish a system by which much the greater proportion of persons working for wages or for salaries under a specified limit are insured within certain limits against the loss of wages resulting from unemployment. Those who are included within this compulsory system must pay a premium to a state insurance fund and their employers must also pay a part of this premium on their behalf. The insured workmen or salaried employees, upon payment of premium, and subject, of course, to certain limitations and regulations, are entitled to receiving benefits in case of unemployment. The premiums are the income of the fund, the benefits constitute the fund's outgo. A system is provided to balance the income and outgo as far as it is humanly possible to do so.

Thus, in a few sentences the sum and substance of the Ohio proposal can be stated. The system is, of course, under public control, and it is nonprofit-making. It would seem quite absurd to have to make this latter statement except for the fact that after twenty-five years of propaganda the concept of social insurance is still quite strange and incomprehensible to the majority of our citizenship, and whenever the word "insurance" is mentioned it conjures immediately a picture of lofty towers, highly paid insurance officials, an army of poorly paid insurance clerks, ubiquitous insurance agents, assets and stocks, and sometimes sensational disclosures. It cannot be repeated too often that the plan is strictly within the sphere of social insurance.

And now for a few unavoidable details.

COVERAGE

The bill covers practically all manual laborers and salaried employees earning two thousand dollars a year or less. It definitely excludes the following important groups: farm labor, domestic service, interstate commerce, government employment and school-teachers working on an annual contract, and casual labor of less than four weeks' duration.

The reasons for the exclusion of these specific groups are not always the same. Some of them are obvious as, for instance, employment in interstate commerce, because of constitutional obstacles. Government employees and school-teachers are excluded on the assumption, which is correct by and large though with certain limitations, that these represent occupations with a very low hazard of unemployment or at least of irregular employment.

The exclusion of farm labor and domestic service must be defended—if it can be defended—on entirely different grounds. It is a definite admission that some employing groups must be placated if the bill is to have any chance at all. There are many farmers; in proportion to the number of employing farmers, the number of farm laborers is comparatively small. The economic condition of the farmer is not a happy one. His opposition to any additional tax or charge would be bound to be so strong as to wreck the chances of the bill. Few of the members of the Commission would want to claim that there is no problem of unemployment of farm labor, but for "practical" or "political" reasons farm labor must be left out because the farmer must be taken into consideration.

Somewhat similar—that is, entirely practical and not particularly of a high moral quality—are the arguments for exclusion of the domestic servant. In this day and generation domestic servants are somewhat of a luxury. By and large they are restricted to homes of a more than average economic level. The claim could not be made that the cost of insurance of one or two domestic servants would prove an excessive and unfair burden on the family budget of the employer; but the Commission, in its wisdom, preferred not to raise the antagonism of the powerful society woman, club woman, professional woman, and the mother of a numerous family, to whom a servant is not a luxury but a necessity. The unemployment-insurance plan has al-

ready gained considerable support among the intelligent and progressive women of the state. A cynic and misogynist might well speculate what the attitude would be if domestic servants were included. Many an intelligent observer of European conditions had returned from a prolonged residence in Europe with a record of irritation against the cruel burden of having to paste stamps in her servant's employment book.

And then there is the salaried employee in the higher-salary bracket. To be sure, two thousand dollars is not a very high level, though it appears very much higher in 1933 than it would have in 1929. The theoretical defense of this limitation would be that the salaried employee above this level is—or should be—able to take care of himself and make provision for his own future. One knows, of course, that a statement of this kind must be made largely with the tongue in one's cheek. Persons who had salaries much higher than that may now in fairly large numbers be found among applicants for public relief, or even in bread lines and flophouses. Undoubtedly, it is one of the provisions that can be defended, if at all, only as a temporary measure.

Outside of these main groups there are various other exceptions of comparatively minor importance. Most of those are based upon certain practical difficulties of enforcement which it appears particularly desirable to avoid in the beginning. There is the employer with a labor force of less than three, who is difficult to get at. There is the casual laborer, hard to follow up. There is the "person whose employment is not in the usual course of trade, business or professional occupation of the employer," to protect you and me if we hire a man to shovel the snow off the side walk or trim our hedges. It is obviously impossible under any system devised by human intelligence to make any law 100 per cent effective.

By and large, however, the scheme would protect the vast majority of Ohio's labor force. With the total number of gainfully employed at approximately 2,600,000 which, after exclusion of employers, self-employed and professional persons, would probably shrink to less than 2,000,000, the law, in face of all its limitations, would probably cover in the neighborhood of a million and a half. It is curious but characteristic of the past experience in struggles for social

legislation that from the very same groups which are opposed to the plan as a whole there comes this not altogether sincere criticism of the unfairness of the law in failing to protect the excluded 25 per cent or less.

THE BENEFIT SCALE

While the technical student may view the entire subject from many complicated angles, to the average layman and, what is more important, to the insured person, the crux of the whole program is in the amount of insurance provided. Quite logically the first question must be: What does the plan offer to me when I am out of work?

The Ohio plan offers 50 per cent of the wages, but not over $15, for sixteen weeks, after a waiting period of three weeks. Inevitably, this "scale of benefits" has been subject to numerous and violent criticisms not only from those who consider it inadequate, but also from opponents to unemployment insurance in principle.

Obviously, this modest scale does not cover the entire loss. In technical language "the coverage is not complete." What the critics apparently forget is that no insurance coverage is complete; nor should it be, according to sound principles of insurance theory, for an insurance coverage which would undertake to compensate for the entire loss in all cases would inevitably come close to overinsurance in many cases. The higher the rate of coverage, the greater is the temptation for malingering and fraud. In a delicate situation like unemployment, excessive coverage would be dangerous in destroying the incentive toward return to work.

Admittedly, the scale of benefits is modest. As will be shown presently, the primary limitation is due to the factor of cost. As much insurance is provided as those who pay for it (industry and employees) presumably can afford to buy. There is nothing sacrosanct about the scale or any scale. As experience in compensation has demonstrated, it is subject to frequent revisions, usually upward, and that too has been objected to as a danger by the opposition, by the same opposition who complains that the scale of benefits does not meet the entire problem of unemployment relief.

There are four factors in the scale which must be briefly commented upon: the weekly rate, the maximum, the waiting period,

and the time limit. At least in two out of the four factors the Ohio bill is more generous than the Wisconsin law. While the normal weekly rate is 50 per cent in both, the maximum is $15 against $10, and the time limit sixteen weeks against ten weeks. The waiting period, however, is one week longer.

Comparatively little criticism is directed against the weekly rate of 50 per cent. The British system, with which American public is somewhat familiar, is based upon a uniform benefit rate irrespective of wage levels, though it does provide for differentiation according to sex and primary age groups. The obvious objection to a uniform benefit rate is that it is bound to be very low, too low for many, unless it is geared so high as to be too high for some. Because the British benefit is uniform, special additional provisions for dependents, wives and children, were introduced, which have caused no end of complications. Compensation experience in the United States has established certain standards, as from 50 to 66⅔ per cent. On the whole, particularly in the light of present unemployment-relief standards, the 50 per cent scale has been accepted as a reasonable and satisfactory one. Under normal conditions, half the wages may provide at least for the essential necessities of life.

The maximum of $15 has been chosen after considerable deliberation. The Wisconsin maximum of $10 obviously appeared inadequate. A higher maximum of $17.50 was under consideration, but as wage standards have been tumbling and the $15 maximum would affect only those earning over $30 a week, the $15 standard appeared more reasonable, and it does introduce a certain element of economy.

More criticism is directed against the waiting period and much more against the sixteen-week time limit. As compared with European acts, the waiting period is rather long; and yet under normal American conditions the saving from eliminating the first three weeks actuarially appeared to be very substantial and made the extension of the benefit to sixteen weeks possible. Thus, some income would accrue to the unemployed workman until the end of nineteen weeks of unemployment.

"What will the unemployed do when the nineteen weeks are up? He will be just as badly off. Some people have been out of work for a year and two continuously" is the criticism frequently offered. Of

course the statement is not literally true. After the expiration of the period the unemployed will not be any worse off than he was in the beginning of his unemployment. He certainly will be very much better off than he would be at the same time without his unemployment insurance because his own resources would be preserved. There is, of course, no "means test" provided during the period of benefit.

In comparison with the British system which, in some form or other, through provisional benefits, extended benefits, or the dole, makes the support continuous, the Ohio standards are modest indeed. In a case of prolonged depression such as the present the plan may, therefore, not entirely eliminate the necessity for some form of relief, but it is quite certain that even under the extreme conditions it is only a comparative minority that suffers from a continuous period of unemployment extending beyond four or five months.

The problem of maintenance for the unemployed will not be entirely solved, but it will be very materially reduced. Other resources, such as family savings, credit, and perhaps even private charity and public relief, may still be necessary, but to such a diminished extent that the financial problem of public relief will be greatly diminished. In evidence of this statement it is sufficient to point out that under the Ohio bill in 1931 over $111,000,000 would have been paid out in unemployment benefits as against perhaps $15,000,000 of public and private relief expended during the same year under present conditions. In short, the amount of insurance is arbitrarily determined upon on the basis of reasonable cost. That the latter concept is an elastic one may be readily granted.

REVENUE

As was just stated, some $111,000,000 would be paid in 1931, perhaps $150,000,000 in 1932. Where would the money come from? What is the financial structure provided for in the bill?

Unemployment-insurance systems present a variety of financial structure. There are three, or one might say four, standard sources of revenue: the insured himself, the employer, and the government authority, whether local or national or both. The conventional theory of business insurance expects the insured person to pay the cost of such insurance; but, of course, this point of view, popular in the

United States, is based upon lack of familiarity with the fundamental principles of social insurance. Practically under any branch and system of social insurance there is some distribution of the cost so as to make the burden easier for the insured person, and sometimes to relieve him altogether.

The economic principles underlying the distribution of the cost of social insurance, whether against unemployment or other hazards, are too complicated to be considered here at great length. Perhaps it is more accurate to say that there is no one generally accepted theory of such distribution, but rather a mixture of conflicting arguments as to the justice, ability to pay, responsibility for hazard, incidence and shifting of cost, and social and economic consequences. In practice, the various systems of apportionment of cost are influenced perhaps more strongly by the comparative strength of various economic groupings; always a practical rather than a theoretical compromise governs each situation.

The Ohio plan proposes a charge upon the employer equal to 2 per cent of the pay-roll, and a contribution from the employee equal to 1 per cent of his wages. No contribution is proposed either from a local, state, or national treasury and in this respect, perhaps more than in any one feature, does the Ohio plan differ from most European precedents.

Taxes, levies, contributions, or charges under any other name are always unpopular, no matter how praiseworthy the subject. The workman objects even to a partial contribution, though the entire benefit must accrue to him. Undoubtedly, this objection to an enforced contribution was (perhaps unconsciously) the main reason for the prolonged opposition of the American Federation of Labor to any unemployment-insurance scheme, and even at the Cincinnati convention, when the American Federation of Labor radically changed its attitude and came out in favor of an unemployment-insurance plan, officially it still refused to admit the justice of an employees' contribution, though unofficially the authors of the Ohio scheme were assured that a modest contribution of 1 per cent would not be objected to by organized labor. The 2 per cent charge upon the pay-roll remains the fundamental reason of the employers' opposition, no matter how much it is camouflaged by vociferous ap-

peals to patriotism, Americanism, the spirit of initiative, and similar Fourth of July slogans. It is this 2 per cent pay-roll charge which has caused all the outcry of the dangers of interstate competition, driving Ohio industries out of the state, etc., and, unfortunately, these arguments appear to exercise considerable influence. Finally, the taxpayer objects to any contribution from the public treasury and finds a great deal of support in British experience during the last three years, the collapse of British finances being placed largely at the door of the unemployment-insurance scheme rather than war debts and the aftermath of the war in general.

A great deal can be said in favor of a state or national contribution. Government authority shares to a large extent in the responsibility for conditions; government authority has the power of taxation and fund-raising. The Commission was not unaware of these considerations, yet it definitely ruled against any contribution from the public treasury to the insurance fund, and it thus has made itself subject to very strong criticism from the left. The decision was deliberate and based upon several weighty considerations. Obviously a federal contribution could not be legislated for in Columbus, Ohio. Financially, Ohio is as broke as most of the other states. The system of taxation is under terrific strain. There is no income tax, and the effort to establish one in face of constitutional difficulties would mean a delay of years. The majority of the property taxpayers are home-owners and farmers whose condition is critical indeed. As a pure matter of tactics, any proposal which would carry with it a heavy appropriation from an almost bankrupt treasury would not have a ghost of a chance of success.

The advocates of unemployment insurance in Ohio base their case primarily upon the plea not only that the unemployed must receive a greater amount of relief and in a more acceptable form, but also that the state, the county, and the municipality must be relieved of the burden imposed upon it by disorganized industry.

Nor is there any special theory underlying the established rate of contribution (3 per cent) or its distribution between employer and employee on the basis of two-thirds and one-third. These are, and necessarily must be, compromises or matters of arbitrary decision. There is only one controlling factor. There must be a balance be-

tween the income and outgo. Such balance between 3 per cent premium and a rate of benefits of sixteen weeks, as stated above, has been arrived at by means of rather complicated actuarial computations.

As the benefits are not uniform but adjusted to wages, so is the premium level. Some objections could be and have been raised against it, but space will not permit any extensive consideration of these objections here. Personally the writer, who was largely responsible for the actuarial computations, favored a 50-50 charge of 2 per cent from either party or a total of 4 per cent which would have made a more generous benefit scale possible, as well as more ample reserves for a prolonged depression, which will be discussed presently. At this writing, it is likely that a 2 per cent charge would be resented by labor and jeopardize the success of a bill. It is not impossible that as the depression continues labor may be won over toward a larger contribution. Surely, in comparison with the sacrifice labor is asked to make at present through the share of the work movement, which often means a loss of 50 per cent of the wages in times of distress, a 2 per cent charge in normal times as a reserve fund for an approaching depression would not seem to be very onerous.

In thus distributing the cost between employer and employee the Ohio plan differs considerably from the Wisconsin law. But not only did the Ohio Commission feel that there was sufficient compensation to the workman for his contribution in the more generous and more extensive scale of benefits, but the difference between the two is even more largely a difference in fundamental theory as to the primary objectives, whether relief, prevention, or stabilization—a complicated problem to be discussed at greater length presently.

BALANCE

The problem of balancing the income and outgo is not a simple one. European experience has demonstrated the possibility of many pitfalls in the financial structure of an unemployment-insurance scheme. In a similar campaign for health insurance conducted some fifteen years ago, the advocates drew freely and extensively upon the European example. In the matter of unemployment insurance the situation was somewhat reversed. Because of the financial difficulties of the English and German system, particularly dramatized in

England by the struggle surrounding Ramsay MacDonald's latest campaign and the abandonment of the gold standard in Great Britain—it was the opponents rather than advocates of unemployment insurance that began to draw freely upon British experience. The conclusion that any proposed American scheme provided must fail financially because the British system has got into difficulties, is not very convincing from the point of view of pure logic or mathematics, but has exercised considerable influence over uninstructed public opinion.

The financial reasons for the British difficulties are very obvious. They were due to repeated increases in the scale of benefits without sufficient increases in the premium rates. Moreover, fundamentally any system providing ironclad benefit scales and premium rates in the law itself contains an element of danger because of the uncertainty that the statistical and actuarial basis is sufficiently accurate and may not undergo radical changes. On the face of it, the Ohio bill commits the same error of establishing within the law a benefit scale and a premium rate. Both are based upon extensive and painstaking computations in which all available material was utilized, and Ohio was particularly fortunate in possessing a more extensive volume of material in the field of employment statistics than perhaps any other state in the Union. Moreover, computations were made with extreme conservatism and numerous margins of safety. Many factors which undoubtedly must affect a saving in the cost were disregarded because they could not be accurately estimated. In other words, whatever errors there are or may be in the computation are all on one side. Nevertheless, no absolute guaranty of adequacy of rate would be underwritten by any cautious actuary.

The bill, therefore, carefully provides that after a certain period of time, two or three years, and after a certain amount of experience has been acquired, the administration of the insurance scheme is empowered to modify the premium rate for separate industries and occupations between the limits of 1 and $3\frac{1}{2}$ per cent for the employer, in addition to the fixed 1 per cent contribution on the part of the employee.

RISK AND PREMIUM RATE

The authority granted to the administration to vary premium rates is based not only upon financial considerations but also for the

purpose of meeting the Wisconsin idea halfway. Briefly, the Wisconsin idea is this: that the system of unemployment insurance through a fluctuating rate must be made a factor in inducing, encouraging, and perhaps forcing efforts toward regularization and stabilization, for "prevention is better than relief." It is often claimed that insurance premium must take the degree of hazard into consideration if it is to be true insurance; that the degree of unemployment hazard is subject to very wide fluctuations between industries, individual employers, and even individual employees; that such fluctuations must be recognized in the rate, particularly in order to serve as a stimulus for reducing the unemployment hazard.

There is nothing particularly novel in these considerations. The Wisconsin idea has not been discovered in Wisconsin. The English have tried it and abandoned it. The Germans have considered it at the time they were introducing their system and discarded it. In both countries it was felt that the theoretical considerations have been grossly exaggerated and the practical difficulties of establishing the fluctuations in the unemployment hazard have been grossly minimized.

And yet the popularity of the Wisconsin idea among students of the problem in this country is so great (perhaps for the very reason that they lack practical experience and depend too much upon a priori economic reasoning) that it appeared wise to introduce this factor in the bill. How far such classification will be possible, only the experience of years will demonstrate. To determine whether such premium gradings will really have a preventive effect may take decades, and in social legislation it is well to remember that one does not legislate for centuries.

Because insurance theory and technique are complicated matters and must remain largely mysteries to the general public, it seems to be easy for the insurance business to create the impression that such risk differentiation is an inevitable and necessary part to any insurance system. It is true that it is applicable in fire insurance, in workmen's compensation, and in many other forms of casualty insurance, and yet it is seldom realized by the layman that this risk differentiation is found least or not at all in the most scientific branch of insurance, namely, life insurance. Except for the difference between the two large divisions of ordinary and industrial insurance, except for

minor differences on substandard risks, the life-insurance premium entirely disregards the occupational differences which are fundamental in influencing the mortality rate. A man may insure as a clerk and become either a banker, a minister, a physician, prize-fighter, or airway pilot and yet pay exactly the same rate. In the specific occupation, locality, and establishment the unemployment hazard may perhaps be ascertained, but the mobility of American labor between industry, establishment, and locality is such that accurate determination of a hazard of any individual for a length of time would be an impossible task. Yet broad subdivisions of economic activities do show different rates of irregularity of employment. With the accumulation of experience these differences may be provided for through different rates, but it is not an immediate problem in the first few years of any unemployment-insurance plan.

ADMINISTRATION

The choice of a system for effective administration of so comprehensive a scheme is a matter of considerable importance. In addition to the objective criteria of mere efficiency, there are also conflicting group interests involved. A good deal could be said in favor of a democratic representative and co-operative plan, which is being tried out in some European countries. But American experience in this field is rather limited. Even the conscientious employer who recognizes the responsibility of industry for unemployment prefers to think in terms of an establishment scheme controlled and administered by him. He is afraid of the disturbing influence of a "labor politician." For equally logical reasons labor mistrusts establishment welfare plans. The public at large has a healthy or unhealthy skepticism in regard to efficiency of government agencies. Much has been said in Ohio by the opposition about the bureaucratic army that will have to be created to administer the law. The social worker has long been trained in a disdainful attitude toward governmental efficiency in public welfare as compared with private agencies, although perhaps this attitude has been considerably shaken during the last three years.

Out of all the possibilities the Ohio Commission chose an administrative scheme similar to the one with which the people of Ohio are

familiar in workmen's compensation. A commission is provided for with a network of branch offices. These branch offices are to serve as employment exchanges, for it is recognized that without an effective employment office system no unemployment-insurance scheme can be efficiently administered. Their offer of employment must remain the very best test of legitimacy of a claim. The scheme of administration is outlined rather loosely in the bill, and the powers of the Commission to issue rules and regulations are broad. This was felt to be necessary in order to avoid the need of frequent legislative changes, especially in the beginning. While the bill is fairly lengthy and contains, as do most American legislative enactments, a good deal of obscure and complicated verbiage which seems to mean little to the layman, it does not go into the details of administration in the same way in which European acts have done. The scheme, therefore, has intentionally been kept rather fluid. Undoubtedly, hundreds of problems will arise, decisions will be made, precedents established, and out of these must come an effective operating system perhaps to be legalized later. Such, in brief, are the provisions of the system proposed by the Ohio Commission.

INSURANCE VERSUS RESERVES

The unsuccessful presidential candidate of the Socialist party, Norman Thomas, seldom lectures in public without being confronted with the question why it is thought necessary to hold on to the term "Socialist" in view of the prejudice of the American people against that word. The questioner invariably assumes that the measures advocated would be more acceptable to the American public if they could be freed from the objectionable term, to which Thomas frequently replies, with some irritation, that the rose by another name smells just as sweet, provided it is a rose.

Some such attitude has been developing in regard to the social-insurance movement in this country. The term "social insurance" (or "social services" which appears to be the term preferred in England) is a comprehensive one. It implies a social philosophy as well as an insurance theory. In this country we prefer to speak of workmen's compensation, sick benefits, group payment for medical aid, old-age security, widows' allowances, and—unemployment reserves.

Whether this diversity of terminology has helped the movement to any extent it is hard to say, but it has undoubtedly interfered with education of American masses in the fundamental principles of social insurance.

Insurance is popular enough. It must be, therefore, the adjective "social" that frightens even the protagonists of the movement. Our great public leaders speak of unemployment insurance or reserves as if they were interchangeable terms, which, of course, they are not. Reserves are a necessary aspect of most insurance schemes, but reserves is not all there is to insurance. The term "reserves" has proved useful in the process of propaganda to emphasize the contrast between the provision made by industry in good years to pay dividends in bad years and lack of such provision to pay the wages during periods of unemployment. It was a very telling and "catchy" term, but the reserve plan, as exemplified by the Wisconsin act and partly by the standard bill of the American Association for Labor Legislation, has wider implications.

Fundamentally, the difference between the insurance plan and the reserve plan—which we might, for purposes of brevity and clarity, designate as the Ohio and Wisconsin plans—is this. The Wisconsin plan proposes an individual reserve for each establishment (modified somewhat by permission of establishments voluntarily joining to pool their reserves). The responsibility toward the unemployed workman, therefore, remains with the individual-plant reserve fund. The spread of a risk through pooling of the entire industry, which is the fundamental basis of insurance, therefore does not exist. Whatever difficulties there may be in determining the average amount of unemployment, the average cost of unemployment benefits, and the average burden to be borne by the employers are multiplied a thousand fold in the individual-plant reserve system. If the law establishes a definite premium rate as well as a definite benefit scale, the chances are all against the formula working out in each individual-plan reserve. The lucky ones—or, as the advocates of the reserve system prefer to say, the efficient ones—are likely to have more money than is needed and the others less than is required to pay the benefit scale. It is, therefore, impossible under the individual reserve plan to guarantee even the modest scale of benefits, and especially its

duration, which is provided in the law. Thus, the scheme must be modified to the extent of limiting the payment of benefits by the funds available in the reserve. It becomes an insurance scheme without insurance, or at least without assurance. The spreading of the risk is limited by the size of an individual plan, and while this may work out in industrial accidents, it is particularly dangerous in case of unemployment, which is more likely than not to affect a substantial proportion or all of the labor force of an individual plant. This was the main consideration which induced the Ohio Commission to discard the Wisconsin plan in favor of one general insurance fund.

In addition, other objections may be listed. The individual reserve plan retains a very close connection between the reserve fund and the plant management, which is a situation acceptable to the employer but very often objectionable to labor, whether justly or not makes little difference.

Yet it would be unfair to dispose of the reserve plan with these few observations without pointing out that this situation is not accidental but deliberate, that it is based upon a definite theory of the functions and possibilities of unemployment insurance. Partly, the reserve plan is based upon the acceptance of the theory that unemployment insurance is impossible as a sound insurance scheme, that it is actuarially impossible—an argument advanced extensively by insurance companies and other opponents. We shall briefly discuss these objections presently. There is, however, a more positive argument in favor of the reserve scheme, which briefly runs about as follows.

The unemployment benefit is only a palliative; it does not cure the condition. What is much more important is prevention or elimination of unemployment. Such prevention through stabilization is possible, and it is a responsibility of the employer. He must be induced and encouraged into making efforts toward regularization and stabilization of his industry. The main purpose of insurance is not so much compensation as to serve as an inducement or whip toward prevention. In the insurance process, therefore, there lies the danger of an influence adverse to prevention. If the establishment has its own reserve fund and if the premium or contribution is made de-

pendent upon the financial status of that fund, if, as an extreme measure, the employer may look forward to being relieved entirely of further contributions provided a substantial fund has accumulated, then the employer may be induced to reduce his turnover, to regularize his business for the purpose of saving part or all of the insurance premium. It is pointed out as a parallel that the greatest benefit of workmen's compensation was not so much the compensation paid as the influence it has exercised upon reduction of accidents and efforts toward industrial safety.

The question may be somewhat too intricate to go into at great length in a study intended primarily for the non-technical social worker.[1] The Ohio Commission felt that these far-reaching effects may only work out, if at all, in the very long run, that the primary function of an insurance scheme was compensation for losses, that the problem of relief of the working masses from the sufferings of unemployment was an acute one, and that no theoretical considerations should stand in the way of making for an effective system of guaranteed benefits. It may be stated in passing that there is a considerable difference of opinion and sentiment between these two plans in the many states in which unemployment-insurance legislation is contemplated. It is not at all unlikely that when the legislation is forthcoming, some of it will be of the Ohio and some of the Wisconsin plan. Only experience of the future will demonstrate conclusively the comparative advantages of the two plans.[2]

Another difference between the Ohio and the Wisconsin plan (although not a necessary difference between the reserve and insurance plan) is the employees' contribution, which is absent in the Wisconsin but present in the Ohio plan. Assuming that prevention is a more

[1] The author has discussed this problem more extensively in his article, "Stabilization Versus Insurance," in the *Social Service Review* for June, 1931.

[2] As the most obvious objection to the reserve plan is its failure of guaranteeing the benefits provided in the law in case an individual-plant reserve proves inadequate, the writer has suggested to the defenders of the reserve scheme that at least that objection could be met by creation, under the reserve plan of legislation, of a special guaranty fund. Into this fund might go a small proportion of the contributions from the various independent reserve funds, and the guaranty funds would assume responsibility whenever an individual-plant reserve fund proved inadequate to meet its obligations.

important goal than compensation, that prevention lies in the hands of industrial management, and that the premium charge may stimulate and induce such efforts at prevention, the Wisconsin plan is consistent in putting the entire cost upon the employer. To one who has had some experience in helping to put social legislation through state legislatures, it might almost seem incredible in the face of capital's opposition that a system putting the entire cost upon industry could be put through, for after all it is the premium cost that lies at the very basis of the opposition. The success of the Wisconsin plan, at least in getting through the legislature early in 1932, goes to show that "one can never tell." Though what is or was possible under pressure of La Follette's influence in the state of Wisconsin may not be possible elsewhere. Moreover, the bill was rather smuggled through by leaving the door open to voluntary action of employers as an alternative. It has not gone into effect, and there are skeptics who say that it never will, but at best the price of the theory was an extremely skimpy benefit scale, only ten weeks of benefit with a maximum of $10, and then only if the particular fund is solvent.

While concentrating upon the employer's responsibility, the Wisconsin plan evidently lacked courage to measure that responsibility at more than 2 per cent. From that point of view alone the workmen's contribution is important, whatever other arguments may be made in favor of it or against it. However, it is only fair to point out that the reserve plan does not necessarily exclude a workmen's contribution.

OPEN PROBLEMS

The bill presented by the Ohio Commission on the whole is more or less of an outline or a skeleton. Though sixteen pages long, much of the text is verbiage, considered necessary by the legislative draftsman. The substantive provisions are very brief as compared with complicated European acts. There are two reasons for this: first, the broad powers given to the special Commission to establish rules and regulations, and, second, the difficulty of foreseeing in advance all the various problems that have arisen in European experience and the danger of forestalling answers to those problems which experience

has accumulated. Undoubtedly, the bill will have to be supplemented and some of its provisions re-written, but in this respect the experience will be no different from that of workmen's compensation legislation throughout the United States.

PARTIAL UNEMPLOYMENT

Of the many problems of this character, perhaps one more than any other, requires some consideration and that is the very difficult problem of how partial unemployment can best be handled. The Commission struggled a good deal with this problem. Many plans were suggested and tentatively decided upon. It may be frankly admitted that the plan as included in the bill is not ideal and has not satisfied all the members of the Commission. Very likely it may be changed before the bill becomes a law. Almost certainly it will be changed, and perhaps more than once, after the bill becomes a law. For it is in this field of compensation for partial unemployment that some of the most serious problems have arisen in European experience. It is not very easy to offer a definite solution, but at least an effort may be made to state the problem briefly.

At one extreme is the point of view—particularly popularized by the share-the-work movement of the last few months, and also strangely enough by the movement toward a five-day week, reduction of hours, etc.—that a part-time job is always better than total unemployment with benefit. Surely, the loss of a day or perhaps even of two days a week is not a calamity as compared with total loss of a job, and therefore a suggestion has been made that no compensation at all be provided for partial unemployment.

Obviously, this would not work out in a case of a man who has one or even two days of work a week. There must, therefore, be at least a limit placed upon the amount of employment which should deprive a man to his right of a benefit.

So far so good. But here are the dangers involved. Supposing that the minimum is placed at three days of work or half-time; there would be little inducement for a man to work three days for half-salary if he could obtain a 50 per cent wage compensation without working at all. In other words, an inducement would be created for a man to weigh his comparative advantages of working part time as

against not working at all, with the financial advantages in favor of the latter whenever the working time was three days per week or less. On the other side, it would create a tremendous encouragement to part-time work on the part of the employer, who could entirely eliminate unemployment benefits by putting his working force on half-time basis, thus paying no benefits at all. Whether that short-time basis of working with reduction in the standards of earning a living for the working population is desirable may remain a serious question. For that reason the suggestion of eliminating all benefits for part-time unemployment had to be discarded.

Take the other extreme, that all unemployment, whether partial or complete, be compensated at a standard rate of half the wages. A substantial proportion of the insurance fund might thus be dissipated in payment for loss of an occasional day or two per week in industries where such irregularity is customary and where wage levels have been adjusted to provide for such irregularity. To sail a safe course between this Scylla and Charybdis requires a great deal of ingenuity. The special formula finally agreed upon presupposes no compensation whenever the loss of time is not in excess of 40 per cent and a sliding scale of benefits between such partial and total unemployment. The scale proved to be not entirely consistent, so that situations may be imagined under which, with partial employment, the workman would be not quite as well off as when totally unemployed, a situation which, of course, would have to be corrected. The matter has been discussed here at some length only in order to point out that criticisms or objections to specific detailed provisions which must and can be modified and corrected must not be confused with criticism of the scheme as a whole or the principles underlying it.

OPPOSITION

It would, of course, be contrary to all social precedent if a proposal of such magnitude did not create a good deal of difference of opinion, did not call for a good deal of opposition. Such an opposition had first appeared when the earlier bills had been introduced in 1931, when hearings were held, when the resolution was adopted by Ohio legislature providing for the appointment of a Commission, when the Commission was appointed, when it held its hearings, and

finally when its *Report* appeared. If there were no such opposition, the presumption might well be that the proposal is not taken seriously. The early opposition was against the principle as a whole. The recent opposition is directed more specifically against the *Report*, against the bill and its various provisions, and incidentally against the Commission and its personnel.

Not all the objections and criticisms are of such cheap or sensational character. Obviously, all opposition or criticisms must be clearly divided into two definite groups: one dealing with the entire economic and social theory of unemployment insurance and the other directed against the specific provisions and actuarial basis of the particular bill. Naturally, the former type predominated before the final *Report* was issued. The latter type has come to the foreground now. That, to a large extent, must also be true of the advocacy of the bill, with this distinction which is interesting and important from a theoretical point of view: (1) It is much easier to defend the general principles of unemployment insurance than specific provisions of any particular bill. (2) It is much easier to attack a specific bill than the general principles of unemployment insurance.

Strategically, therefore, the opponents may have that advantage unless it is clearly understood and also made clear to the public at large as well as to the legislature that while the principles are fundamental, the details are not, that the details are subject to change, that no claim of perfection is made for the particular bill, that criticism of any of its provisions, no matter how well it may be founded, is not an argument against the proposal as a whole, that suggestions for amendment are welcome and always in order, that such amendments may be made now or at any time after the passage of the bill, that as far as possible the question should be fought out on fundamentals rather than on details.

If that were possible it would be an ideal situation. It would raise the tone of discussion to the level of a meeting of the American Economic Association or the American Sociological Society, but, unfortunately, a state legislature is a body of an entirely different character. Employers' associations and chambers of commerce do not approach the problem in an objective and academic spirit. When

profits are threatened, passions run high—hence a fight which is beginning to assume ugly aspects, hence the uncertainty of the outcome.

SOCIAL ALIGNMENT

What social and economic groups should be in favor and what in opposition to the bill? That is a question of logic. What social and economic groups are in favor and what are against the bill? That is a matter of observation, of education, and of propaganda, which is sometimes misleading. When the two points of view are compared, the result is a somewhat confusing picture. It may be worth while analyzing the primary economic groups and their attitudes in Ohio to the proposed measure.

Labor.—Labor is the sufferer under the present conditions; labor is the beneficiary; labor should be the advocate; labor should—and judging by European experience labor does—fight for unemployment insurance with tooth and nail.

Well, American conditions are different. Until comparatively recently organized articulate labor fought against it. It has now officially changed its attitude, by a curious coincidence, at the meeting held in the state of Ohio. It is, unfortunately, well known, though not officially stated, that even then there was not any real enthusiasm. The resolution was jammed down the throat of the legislative committee largely by two men, Green and Lewis. So, unfortunately, labor is not particularly militant in Ohio or anywhere else for the enactment of the law. As a representative of labor from Central Europe asked me, with the characteristic shrug of his shoulders: "I cannot understand it, that you and people like yourself should be forced to go to labor, plead with labor, argue with labor, in favor of an unemployment-insurance scheme." But unintelligible as the situation may be to the European observer, it only repeats the state of affairs with workmen's compensation or health insurance in the years gone by. Perhaps it is this attitude of labor that makes "the social reformer" an important factor in American life.

Social workers have finally been convinced. It was the impact of the terrific forces of the depression, the breakdown of private philanthropic effort, the difficulty of obtaining public funds, the inadequacy

of public relief, the lowering of standards, all conditions which the social workers did not have to study academically, which they have been observing and living with for over three years, that have converted the profession of social work to unemployment insurance.

The *church*, by and large, renders its support. It does not go into abstruse economic reasonings. It sees the immorality of the present situation. The support of the church is valuable. If it could be assumed that the church—of whatever denomination—really exercises the influence in life that some claim for it, there could be little question of the success of the bill.

The attitude of *business groups* is necessarily more complicated. Even assuming full understanding and appreciation of the social advantages of the scheme proposed, their attitude necessarily must be colored by the real or assumed effect upon their own interests. At best there must, therefore, be an internal conflict between the ethical and the purely business attitude, with the resultant of the two conflicting forces colored by group adherence to the principle that "business and sentiment do not mix." However, as in many other economic problems, the interests of the employing and business classes need not be assumed to be absolutely uniform. By and large, three business groups may be recognized: manufacturer, trade, and agriculture. By a sanctified American tradition agriculture is here included with business, though in 1933 this classification may be subject to considerable questioning. Even under best circumstances agriculture is a mixed group combining business with self-employed labor.

The people of Ohio have already been informed that *agriculture* is opposed to unemployment insurance. This by no means indicates that the farmers have been polled on the question. It means only that the official representatives of the farming class (the master of the Ohio Grange was a member of the Commission and did not sign the majority *Report*) speak on behalf of all the farmers of Ohio. Yet it is quite obvious that in no way can the farmers' interest be injured by the law. They would not be affected as employers because farm laborers are not included. They would not be affected as taxpayers because no state contribution is proposed. In so far as their sons go to the city to become industrial wage workers they would profit by unemployment insurance, but above all they would profit

by the increased market for food stuff of local production because of an increased food consumption by the unemployed.

Commercial capital has not yet expressed itself except in so far as the chambers of commerce assume to speak on its behalf. Owners of commercial establishments are covered by the law and would have to contribute their share to the funds. On the other hand, the whole purpose of the unemployment-insurance fund is to maintain normal standards of living of the unemployed and their families, which means normal standards of consumption. The millions gathered in the funds to be distributed among the unemployed, whether currently during normal years or more rapidly and in a larger measure in years of depression, represent that much purchasing power, practically all of which would flow toward commercial establishments and real estate owners. A thorough understanding of the operation of the law should make commercial capital enthusiastic in favor of the system, but evidences of such thorough understanding as yet are lacking.

There remains the most important group, whose opposition has been vociferous and influential, entirely out of proportion to the size of the group, but resulting from its economic and, therefore, political influences. This is the group of *manufacturing capital*. The obvious influence is the tax upon the pay-roll. All other consequences, social or economic, are merely inferential. Again, "business and sentiment don't mix." Surely, not always. They do sometimes. There are employers in Ohio as elsewhere who retain the sense of human responsibility for the welfare of the labor force. The sense of responsibility is sometimes expressed in definite measures, in so-called welfare work, even though the financial strain of the last four years has put a considerable damper upon these noble experiments. More frequently this sense of responsibility manifests itself in a tolerant attitude toward proposals for social control. As a rule, however, this remains an individual matter. The ideal of sound business practice so thoroughly permeates the employing class that the exceptions are frequently apologetic and not very articulate. Individual employers are found to be much more ready to express their acceptance of this or similar proposals in private than they are ready to do that in public. They prefer to "have their name kept out of this."

As against this hesitant attitude there stand the vociferous chambers of commerce—in Ohio as elsewhere. The chambers of commerce and similar organizations must have an official "attitude" on matters of labor and social legislation. They must be against it. That is what they are formed for, to protect capital. That is the reason their secretaries and research directors are hired. It is for this purpose that dues are paid to the chambers of commerce. The professional defenders of interests of capital are efficient. They are wide awake to possibilities. They watch out for them. They rush into press or into legislative lobbies when necessary and boldly speak on behalf of the interests of employers. They usually know the ropes about publicity, and thus an attitude of a powerful opposition is created. An upheaval in public opinion sometimes overcomes this pernicious influence. In absence of such upheaval the chambers of commerce and their kindred organizations unfortunately have their way with American legislators. Thus, there is a considerable conflict in Ohio in efforts to influence public opinion for or against the recommendations of the Ohio Commission. In this conflict the Commission's *Report* has made a case. Sympathizers with the movement are satisfied to draw upon the Commission's ammunition. On the other side, the negative has brought forth a large number of objections and these must be briefly considered.

OBJECTIONS

It may be worth while to classify these objections into certain definite groups. From one point of view they may be divided into three groups: (1) real objections, arising out of conflict of economic interests; (2) imaginary objections, owing perhaps to misunderstanding of the proposal and its economic consequences; and (3) last but not least, deliberate misrepresentations. The designation of the third group one may recognize as not a pleasant one; and yet it is idle to close one's eyes to the fact that such deliberate misrepresentations, such catch arguments, expected to mislead an audience, are a common tool of political and economic conflicts. Yet it may be preferable to leave it to the reader to assign the place of the various objections made into one or the other of these three groups.

A somewhat more objective and perhaps less objectionable classification would be as follows: business objections, financial objec-

tions, economic objections, political objections, technical objections, constitutional objections, and social objections. Perhaps to these specific groupings a miscellaneous group might be added. While specific objections appear very serious, usually some levity may be found in this miscellaneous group.

BUSINESS OBJECTIONS

These are obvious and real. A 2 per cent tax upon the pay-roll is proposed. It is an additional factor of cost. At no time can the employer be expected to welcome any additional load upon the cost of production. It is argued, therefore, that the charge is confiscatory, that it will cut heavily into profits, that it is particularly objectionable during a period of depression, and moreover, that being limited to industry of one state will create a competitive disadvantage and drive industries out of Ohio into the neighboring states.

The objection is not novel. It has been advanced against compensation, against child-labor legislation and other similar measures. It cannot and need not be explained away. A tax is a tax; and yet a 2 per cent tax on wages represents on an average less than $\frac{1}{2}$ per cent of a tax upon the cost of the product. Normal American industry does not work on so narrow a margin as all that. That an additional tax may be objectionable during a period of deep depression has been recognized by the Commission, which suggested that the collection of premium should not begin until January 1, 1934. When the *Report* was prepared in the fall of 1932, there was reason to believe that a turn for the better had already been made. Conditions during the last four or five months have not justified this optimism,[2a] and the bill introduced into legislature provides for a postponement of the law going into effect for another year.

Equally real is the argument of interstate competition, but equally exaggerated. Differences in wages and in other production costs as between state and state are many, and most of them much greater than the tax proposed. Similar threats have been made in compensation insurance; and yet no one is able to establish any interstate migration of industries having resulted from compensation costs. That a uniform system, applicable to the entire country, would be much

[2a] This was written in January, 1933. The upward turn of industrial activity since April has changed the situation, but unfortunately too late for legislative action.

more preferable may be granted without further discussion; but surely the political organization of the country in forty-eight independent states cannot serve as an excuse for stopping every effort toward regulation of industry and protection of labor. Carried to its logical conclusion, the argument would lead to an absurd situation. Moreover, enough experience exists in American industry to indicate that a somewhat more liberal policy toward labor has not ruined but on the contrary has helped American industry by creating an *esprit de corps*, a sense of greater security with consequent greater efficiency on the part of labor and even greater loyalty.

FINANCIAL OBJECTIONS

These may safely be included among the second group under the first classification, as imaginary reasons which may produce real fears, nevertheless. Thus, it is argued that the payment of premium of 3 per cent, no matter how distributed, would result in the withdrawal of enormous quantities of capital from active industry into frozen assets because the funds must be invested in government bonds. Unfortunately, even some students of economics have lent the weight of their academic standing in support of this argument. Yet on the face of it the argument is absurd. The necessity of investing the reserves of the fund into government bonds, whether national, state, or municipal, does not increase the volume of such bonds. If a purchase of the bond by the fund from any individual freezes a certain amount of capital, obviously the sale of the bond by the individual to the fund liberates an equal amount of capital. On the other hand, the release of the purchasing capacity represented by these reserves in years of depression must prove a financial boon.

Again the argument has been advanced in Ohio and elsewhere that the sale of a large volume of bonds in years of depression would prove to be a catastrophic influence in the security market. Perhaps some such influence might result if millions of bonds were to be sold at once, although even then the influence would be temporary only. As a matter of fact, even in years of worst depression the fund would still have considerable income, although at such times the outgo would exceed the income and a gradual unloading of the bonds would take place, that is, provided it might not be considered preferable to

use the bonds as collateral for credit to be obtained through the usual credit channels, or in years of extreme depression, from special credit institutions as has been done by insurance companies, banks, and railroads during the last two years. At worst, however, the influence of this factor is tremendously exaggerated, if one remembers the volume of bond transactions that take place in the New York money market. These transactions are measured by billions. The necessity which would have arisen in 1930 to dispose of some twenty-five million dollars' worth of bonds and in 1931 even of seventy-five million dollars would hardly produce a ripple in the New York bond market, for it is a well-known fact that in years of depression there is no dearth of money for investment but only a scarcity of money for speculative and business investments. United States government bonds have stood up well under the pressure of the last three and one-half years.

ECONOMIC OBJECTIONS

To a large extent these have been brought forth by professional economists, although in justice to the economic profession it must be pointed out that the preponderant sentiment and opinion, as expressed at the Cincinnati meetings of the various learned societies, was in favor of unemployment insurance.

Thus it is argued that the entire cost of insurance will come out of wages and, therefore, present an excessive burden upon labor. The problems of incidence of social insurance have been discussed in Europe for several decades. No definite answer acceptable to all the theorists has been forthcoming as yet, but the incidence may be distributed in unknown quantities and probably in unequal quantities, depending upon the vast variety of conflicting factors, between the employer and his profits and the employee and his wages and the consumer and the price he pays for the goods. If so diffused, the influence of the cost would be largely dissipated. Surely, it cannot hit with full force all the three interested groups, and it is not good sound theory to try to frighten all the three of them, to argue with the employer that he cannot stand this cost, to tell the workman that he will pay it all in the reduced wages, and then insist that the resultant burden upon price will interfere in the interstate competition.

A learned professor of one of our greatest universities must be

given credit for advancing, with considerable conviction, a more profound economic argument, that in guaranteeing to the unemployed a steady income, unemployment insurance dangerously interferes with the process of deflation of wages which is necessary to expedite recovery from an economic depression.[3] Usually, British experience is quoted in support of this argument. Whatever the British experience may be, an income of half the wages or less, limited to sixteen weeks, is admittedly not overgenerous. If the argument is consistent, if it present the cold and unrelenting logic of the situation, as all deductive economic reasoning is assumed to do, what are the practical conclusions to be derived from it? That the unemployed must not be given any assistance at all, that the same efforts would be exercised by public relief, that the most effective deflation of wages and readjustment of industrial conditions would be achieved by letting the unemployed starve.

Whether this cold-blooded economic reasoning is good economics or not, it discloses an attitude toward social conditions which, in the presence of twelve million unemployed, might prove excellent fuel to stimulate a social revolution. One necessarily wonders whether twelve million American workmen are quite ready to have starvation or the threat of starvation regulate the process of wage determination. It is not a new theory of wages. There was a man by the name of Malthus who preached it some two hundred years ago. It is an interesting commentary on the effects of the depression that we should come back to that theory after the years of pride we have taken in the American standard of wages, American standard of living, collective bargaining, dependency of industry upon mass consumption, etc.

Another economic argument, more or less theoretical and directed partly against unemployment insurance in general but particularly against the so-called Ohio plan, is the charge (already referred to above) that it will interfere with the more important efforts at regularization and stabilization of industry. English experience is usual-

[3] "There can be little doubt," says Professor Frank D. Graham, "that unemployment insurance, by enabling the worker to hold out against wage reductions, can prolong indefinitely the evils insurance is designed to combat" (*The Abolition of Unemployment* [Princeton, 1932]).

ly pointed to, it being assumed that England failed to solve its problem of unemployment because it did not want to and not because it did not know how. It is argued that having "solved" the problem of suffering resulting from unemployment by providing insurance, both industry and the state will lose their interest in the matter. It would appear obvious, however, first that a limited benefit of sixteen weeks does not solve the problem entirely, that the problem of unemployment to industry is not so much the problem of suffering of the masses as a problem of loss of profits, and surely American industry did not lack any motive for fighting unemployment and fighting the depression. The obvious difficulty was not the absence of a motive but the absence of power and knowledge.

Other economic arguments may be passed over very briefly. It is claimed, for instance, that unemployment insurance will attract labor from the farm to the city. The fact is disregarded that under the Ohio plan a substantial period of employment is prerequisite to obtaining the right to benefits. One wonders how many men would deliberately leave the farm, if there is a living on the farm, for the city to find a job, unless a job were available, and work for twenty-six weeks in order to acquire the right to receive 50 per cent of the wages, after waiting three weeks without any compensation. The argument has also been advanced that the solution of the entire problem of unemployment lies in the direction of inducing industrial wage workers to go back to the farm. Considering that most of them have no farm to go back to, and also considering the present economic status of agriculture, it would seem to be sufficient to mention the argument without going into any lengthy contradiction.

POLITICAL ARGUMENTS

It is stated that the system would create a tremendous bureaucratic machinery, with political affiliations, that it could not be administered honestly or sufficiently because no government undertaking ever is, that there would be political favoritism in the distribution of benefits, that it would unload upon the state an expensive army of employees. Perhaps the mere enumeration of these arguments should suffice. The one interesting aspect of this line of argument which is being indulged in at great length by the Ohio

Chamber of Commerce and its spokesmen is just this: that the most forceful expression of lack of confidence in government always comes from those who are very vociferous in the expressions of their faith in the sanctity of the American Constitution. The logic of the argument may perhaps best be expressed as follows: The more sacred you hold the Constitution of the United States and of your own state, the less faith must you have in all the instrumentalities of government created by those constitutions. The line of argument should be of great interest to professors of logic or psychology, or both.

TECHNICAL OBJECTIONS

"Unemployment-insurance legislation is undesirable or harmful because unemployment insurance is a technical impossibility." Thus, bluntly summarized, the fundamental technical objection assumes something of a character of a bad joke in view of the existence of unemployment insurance in some form or another in every European country. Nevertheless, this objection is employed in the insistence of the opposition that "unemployment is not insurable." By this is meant that it cannot be made a subject of sound insurance. It cannot be made actuarially solvent. Scientific rates cannot be computed. Financial breakdown and involvency of the fund is inevitable, etc.[4]

This charge originated in a large insurance company in New York City, which only a few years earlier had definitely announced its desire to enter the field of unemployment insurance as a private carrier, had labored to put through New York legislature the necessary enactments to make it legal but had a striking change of heart within the last two years after the proposal was vetoed by Governor Roosevelt. Since then a number of pamphlets in criticism of the theory of unemployment insurance have been issued by the same insurance company, and the arguments advanced in these later pamphlets have received wide publicity in the general press and particularly in the publications of the Ohio Chamber of Commerce and similar organizations in other states.

The whole question may appear entirely too technical for critical

[4] This subject is treated by the writer at somewhat greater length in the *Report of the Ohio Commission on Unemployment Insurance*, Part II, chap. viii, "Is Unemployment Insurable?" The argument may, therefore, be only very briefly summarized.

consideration by anyone outside of the actuarial or statistical professions. The basis for this technical objection reduces itself largely to two statements: first, there are not enough statistical data to compute a scientific rate; and, second, incidence of unemployment is so irregular that it is futile to expect that any such dependable data can be obtained. The first difficulty may be admitted within certain limitations. The second objection is a mere assumption. That new forms of insurance must be begun on the basis of insufficient data has been the experience throughout the history of insurance. There is only one fundamental difficulty with unemployment statistics as a basis for unemployment insurance—that it is subject to greater fluctuations and, therefore, requires a larger volume of experience and longer exposure.

In support of this objection the so-called breakdown of the British system is usually quoted. Either through ignorance or through wilful misrepresentation, the opposition usually fails to point out that the British unemployment insurance system did not break down, to begin with, for it is still operating to a tremendous advantage of the English people. Second, that it has long ago ceased to be a mere insurance scheme and deliberately became, to a large extent, a direct system of public relief of the unemployed.

As the great English expert Beveridge has succinctly stated, the British unemployment benefit is one "based not upon contract but upon status." Moreover, as is pointed out in a second volume of the *Report of the Ohio Commission*, even under those difficulties the British system would not have got into financial difficulties if it had not failed to adjust its premium to an increasing unemployment rate. When this objection is not directed against unemployment insurance in general but against the proposed Ohio scheme, the criticism becomes even sharper and more specific. The Commission's computation as to what would have happened in Ohio had the act been adopted in 1922 shows that the accumulated reserves would have been ample to meet all the claims upon the fund throughout 1930 and 1931, would have come to the beginning of 1932 with a small reserve of $12,000,000, which undoubtedly would not have been sufficient to see the fund through 1933 and subsequent years without some financial assistance.

As the actuary responsible for the computations, the writer is convinced that these computations are too conservative, that many factors have not been accounted for which would have undoubtedly reduced the expenditures, because it was not possible to account for them accurately. But even waiving that aside and accepting the figures as of absolute accuracy (which, as a matter of fact, has not been claimed for them), what would they show at worst? Not that unemployment insurance cannot be made sound, but that the 3 per cent ratio may prove inadequate to face a long crisis of such extreme gravity. The criticism thus becomes merely an argument for a higher rate, say $3\frac{1}{2}$ or 4 per cent. There is nothing sacred about the 3 per cent rate. It certainly is not an argument against actuarial soundness of any scheme, even if it were acceptable as an argument against the actuarial soundness of the particular scheme proposed. What the opposition refuses to see is that adjustment of insurance rates, either upward or downward, is not at all an uncommon thing in various branches of insurance; that this inadequacy of funds would not develop suddenly; and that, therefore, ample time would be available to make the necessary adjustments. The very fact that the figures presented can be used to prove the inadequacy of the rate should be convincing evidence that the whole plan is not one that lies outside of the pale of actuarial tests.

Many other minor technical difficulties have been raised, but they hardly deserve of very careful rejoinder. It is stated, for instance, that this plan is intended to strengthen the labor unions, that it will favor them at the expense of unorganized labor, that it is impossible to differentiate between voluntary and involuntary unemployment, that the unemployment benefit will become a strike benefit, etc. Many of these questions can be easily answered by reference to the bill as it stands. All of them must be appraised in the light of the administrative power that is given to the Commission to provide necessary regulations. None of these problems is particularly novel. All of them had to be considered by British executive administrators as well as courts. There is a large body of experience available with which few American students are familiar. The fact that compensation has created thousands of legal issues requiring thousands of de-

cisions under forty-eight different jurisdictions is no evidence that compensation insurance is impossible or harmful. All problems of economic and social relationships are likely to become complicated, difficulties are likely to arise, and mooted questions will have to be settled by judgment and compromise and adjustment. As the English would say, "it is not cricket" to isolate one obscure point in a bill, exaggerate its apparent shortcomings, and use that as a basis for judgment that the whole proposal is economically unsound and socially harmful, but it is exactly this method that is being used; and every statement of an English statesman in criticism of any one point in the British unemployment-insurance system is exaggerated and used as a confusing argument that unemployment insurance in Ohio is impossible.

The practically unanimous opinion of all English writers on the subject that in face of all the problems and difficulties which have arisen the unemployment-insurance system as a whole is fundamentally sound, necessary, and could not be destroyed—that opinion is usually carefully disregarded.

No attempt will be made here to deal with such social objections as are summarized in the word "dole" or by the Chamber of Commerce that unemployment insurance will destroy "the initiative, self-reliance, thrift and self-sacrificing foresight of the individual and the family"! In spite of the fact that cities, counties, states, and the federal government have seen their financial structure crack under the burden of appropriations for relief of the unemployed, a combination community chest—city, county, state, federal—government dole is still not considered demoralizing, while insurance payments from a contributory insurance fund would be. The argument may be allowed to stand on its own merits.

What the condition of prolonged idleness, worry, uncertainty, hopelessness, combined with the meager support from outside, must do to the great American or "human" virtues of courage, initiative, and self-reliance, social case-workers know without being told by chambers of commerce and manufacturers' associations. Whether this demoralizing effect would be less noticeable if, in addition to all

these destructive factors, were to be added hunger, cold, and homelessness, is a problem for social psychologists and psychiatrists to answer.

The implied criticism of all unemployment-insurance plans, and particularly of the Ohio plan, that it would give everybody—employers, the state, as well as the employees—a sense of false security and deflect attention from the more important business of stabilization and regularization and prevention may also be classified under general social as well as perhaps economic objections.

Beveridge and many other English economists are inclined to blame upon the unemployment insurance system the failure of England to bring forth in all these years a workable plan for elimination of unemployment. We in this country evidently were very much more fortunate in not having had this pernicious influence of the dole system to interfere with our constructive thinking. How much more we have been successful in stopping the depression is something for the unprejudiced observer to decide.

LEGISLATIVE NOTE

Bills embodying substantially the provisions of the bill recommended by the Unemployment Insurance Commission were introduced in both Houses of Legislature in January (Senate Bill 46 by Senator Harrison and House Bill 142 by Representative Keifer). The bills were referred to the Senate Committee on Labor and the House Committee on Insurance, respectively. After three joint hearings before the two Committees, the House Insurance Committee on March 9 recommended the bill for passage by a vote of ten to one. At this writing (May 1) no action has as yet been taken on the bill in the Senate Labor Committee.

On March 30 the Legislature went into recess until May 15. There is no limitation on the type of legislation which may be considered when the sessions reopen so that the bill, at least theoretically, still has a chance. Its fate, at least as far as the immediate step is concerned, seems to lie with the Rules Committee of the House, in whose hands is the decision as to what legislation goes on the calendar for consideration. As yet, the administration has refused to use any pressure upon the Rules Committee so that the chances of the bill appear to be very slim.

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SALARIES AND PROFESSIONAL EDUCATION OF SOCIAL WORKERS IN FAMILY WELFARE AND RELIEF AGENCIES IN CHICAGO[1]

SUMMARY

FROM a study of 1,120 records and questionnaires with regard to the salary, education, training, and experience of social workers and case work aides, employed in the Jewish Social Service Bureau, the United Charities, the Unemployment Relief Service, and the Field Service Division of the Cook County Bureau of Public Welfare, it is possible to draw the following conclusions about the staff workers in the principal relief agencies in Chicago:

Case Work Aides

1. Case work aides are employed only in the Unemployment Relief Service and in the Field Service Division of the Cook County Bureau of Public Welfare. In the Unemployment Relief service a little more than two case work aides are employed to each case worker, in the Field Service Division one case work aide is employed to about two case workers. The records of 523 case work aides have been analyzed for this report.

2. Case work aides received salaries on October 1, 1932, ranging from $75 to $100 per month but half of those employed in the Unemployment Relief Service received $85 and half of those employed in the Field Service Division of the Cook County Bureau of Public Welfare received $90 or less.

3. In November, 1932, the salaries of 200 case work aides in the Unemployment Relief Service were reduced to $90. The salary is now either $85 or $90, depending upon efficiency and length of experience.

4. Seventy per cent of the case work aides are under thirty years of age, 42 per cent are under twenty-five.

5. Seventy-nine per cent of the case work aides are college graduates, 29 per cent have had post graduate work in college.

6. Eighteen per cent of the case work aides have had at least one course in a training school for professional social work.

7. Eighty-three per cent of the case work aides have had less than one year's experience in social work, 93 per cent have had less than two years' experience.

[1] This study, which was carried on by the School of Social Service Administration, was made possible by the Samuel Deutsch Foundation, which was given to the School in memory of the late Samuel Deutsch, formerly president of the Associated Jewish Charities of Chicago.

8. Case work aides now receive no vacation on pay.

9. Case work aides receive one day and one-half per month as sick leave on pay.

10. Case work aides are not eligible for group insurance benefits nor for old-age pensions.

Case Workers, Assistant District Supervisors, and District Supervisors

1. The number of case workers reported October 1, 1932, was as follows: Jewish Social Service Bureau, 42; United Charities, 150; Unemployment Relief Service, 202; Field Service Division of the Cook County Bureau of Public Welfare, 108; total 502.

2. The number of assistant district supervisors was 50; the number of district supervisors was 45.

3. The salary range for case workers on October 1, 1932, was as follows:

Jewish Social Service Bureau	$112.00–$166.67
United Charities	100.00– 166.25
Unemployment Relief Service, C.C.B.P.W.	100.00– 170.00
Field Service Division, C.C.B.P.W.	100.00– 160.00
All agencies	100.00– 170.00

4. Half of the case workers received

Jewish Social Service Bureau	$135 or less
Field Service Division, C.C.B.P.W.	126 or less
United Charities	123 or less
Unemployment Relief Service, C.C.B.P.W.	121 or less
All agencies	124 or less

5. Three-quarters of the case workers received

Jewish Social Service Bureau	Less than $150
United Charities	Less than 135
Unemployment Relief Service, C.C.B.P.W.	Less than 135
Field Service Division, C.C.B.P.W.	Less than 130

6. Assistant district supervisors received

Jewish Social Service Bureau	$180
United Charities	166.12 – 180.00
Unemployment Relief Service, C.C.B.P.W.	175.00
Field Service Division, C.C.B.P.W.	127.50 – 175.00

7. District supervisors and case work supervisors received

Jewish Social Service Bureau	$178.00 –$225.00
United Charities	180.00 – 225.00
Unemployment Relief Service, C.C.B.P.W.	185.00 – 237.00
Field Service Division, C.C.B.P.W.	175.00*– 200.00

* Excluding one "acting district supervisor" at $148.76.

8. Half of these social workers are under 31 years of age, one-fourth are under 26.

9. The median salary for persons 35 to 45 years of age is between $130 and $139 per month.

10. Nine-tenths are women.

11. Seventy-three per cent are college graduates, 49 per cent had had post graduate work in college.

12. The median salary group for college graduates is $120–$129, for social workers with a master's degree, $130–$139.

13. Sixty-eight per cent have attended a training school for professional social work.

14. The median salary is the same for those who have attended a school of social work and for those who have not, but the range of salary is higher for those who have attended a school of social work.

15. Among those who have attended a school of social work only 35 per cent have had a full year's course. The median length of time in a school of social work is one and one-half quarters.

16. A very small proportion hold certificates or degrees from schools of social work.

17. Forty-four per cent have had less than two years experience in social work. The median length of experience is a little over two years.

18. Salaries increase with experience from a median of $116 for those with less than one year's experience, to $145 for five years and $174 for twelve years or more.

19. No vacations with pay are now given in the Unemployment Relief Service and the Field Service Division of the Cook County Bureau of Public Welfare. The maximum length of vacation in the latter part of the summer of 1932 was 13 days in the United Charities and four calendar weeks in the Jewish Social Service Bureau.

20. Permanent appointees receive sick leave on pay in all of the agencies.

21. No retirement funds are in operation in the private agencies. Civil service appointees in the Cook County Bureau of Public Welfare are eligible for pensions to which they make monthly contributions, but this does not apply to the Unemployment Relief Service.

22. All agencies make provision for group insurance covering death benefits and payment in case of total and permanent disability to permanent appointees, but this does not apply to the Unemployment Relief Service.

23. Salary cuts in November, 1932, in the Unemployment Relief Service affected more than 250 workers. Among the 220 workers in other agencies who were employed in May, 1931, and whose salaries were reported, 115 had received salary reductions between May 1, 1931, and October 1, 1932.

24. The level of salaries for case workers is considerably below that of elementary-school teachers in Chicago.

25. The level of salaries for case workers in Chicago in October, 1932, was below the level for similar positions in Los Angeles, Cleveland, and Pittsburgh

in the spring of 1932. The maximum salary in Chicago in 1932 was $35 per month less than the maximum salary for similar positions in member agencies of the Family Welfare Association in 1929.

26. The four organizations are shown in order of rank from highest to lowest:

a) *In median salary of case workers* ($135–$121)
1. Jewish Social Service Bureau
2. Field Service Division, C.C.B.P.W.
3. United Charities
4. Unemployment Relief Service C.C.B.P.W.

b) *In proportion of college graduates* (79–66 per cent)
1. Jewish Social Service Bureau
2. Unemployment Relief Service
3. United Charities
4. Field Service Division, C.C.B.P.W.

c) *In proportion who have attended a school of social work* (90–59 per cent)
1. Jewish Social Service Bureau
2. United Charities
3. Field Service Division, C.C.B.P.W.
4. Unemployment Relief Service, C.C.B.P.W.

d) *In proportion of members of American Association of Social Workers*
1. Jewish Social Service Bureau (15 among 52)
2. United Charities (32 among 182)
3. Field Service Division, C.C.B.P.W. (19 among 134)
4. Unemployment Relief Service, C.C.B.P.W. (22 among 229)

e) *In median number of years of experience*
1. The differences are too slight to warrant arranging in rank.
2. The Jewish Social Service Bureau with a median experience of 3 years is slightly above the other agencies.

Executives and Assistants to the Executive

1. The chief executives of the three agencies, the Cook County Bureau of Public Welfare, the United Charities, and the Jewish Social Service Bureau, are not included in the 1,120 records analyzed. The duties of these three persons differ considerably as do their agencies, in size and type of organization. Salaries for these executives are probably less than is usually paid in business organizations to men who direct staffs and administer budgets of comparable size. They are also not greater than these three persons might have earned had they elected to engage in university teaching, or in the professions of medicine or law.

2. Five persons, two of whom act as directors of the Unemployment Relief Service and the Field Service Division of the Cook County Bureau of Public Welfare, and three who act as assistant directors or consultants in the United Charities and the Jewish Social Service Bureau, have been omitted. All of these

assistant directors received salaries, at the time of the inquiry, of less than $350 per month and some of these have been further reduced.

3. In all the agencies a few specialists, such as attorneys in the legal aid division, dietitians, and vocational consultants, were omitted because their work could not be compared and classified. None of those omitted received a salary of more than $270, all of these persons were specially trained for their work, and none received more than they might expect to receive for similar work in law offices, hospitals, or schools.

ANALYSIS OF THE REPORTS UPON WHICH THE PRECEDING SUMMARY WAS BASED

A study of the salaries, education, and experience of social workers employed in the relief agencies in Chicago was undertaken late in the summer of 1932 at the suggestion of the Chicago Council of Social Agencies and the Advisory Committee on Relief and Service of the Cook County Bureau of Public Welfare.[2] The report presented here is an analysis of the figures for three of the largest agencies,[3] namely, the United Charities, the Jewish Social Service Bureau, and two branches of the Cook County Bureau of Public Welfare, i.e., the Unemployment Relief Service and the Field Service Division.[4]

At the time that the study was made, all of these agencies were operating partly upon funds received from the Illinois Emergency Relief Commission which was in turn receiving funds from the federal Treasury through the Reconstruction Finance Corporation. Thus, although two of the agencies are privately organized family welfare associations that have operated in the community for many years, administering funds raised by private subscription, their policies had become more than ever before matters of public im-

[2] This study was undertaken with the co-operation of the executive committee of the family division of the Chicago Council of Social Agencies and was presented for final analysis and criticism to a subcommittee of the Committee on Research and Statistics of the Chicago Council of Social Agencies composed of the following persons: Joel D. Hunter, United Charities of Chicago, *Chairman;* Edith Abbott, School of Social Service Administration, University of Chicago; Howard B. Myers, Chief of Division of Statistics and Research, Illinois Department of Labor; Walter Smith, Vice-President, Northern Trust Company; Agnes Van Driel, Director, Loyola University School of Social Work.

[3] These three agencies are referred to in the tables and elsewhere as four agencies, since the Unemployment Relief Service functions as a separate organization.

[4] Reports were also received from the Salvation Army and the American Red Cross. The Central Catholic Charity Bureau declined to contribute individual questionnaires.

portance. Moreover, the Cook County Bureau of Public Welfare, which was given in 1925 the functions of the old County Agent in the administration of the Illinois poor law and had cared for the destitute of Cook County since that time, had become responsible, in a sense, not only to the citizens of Cook County but to the state of Illinois.

The Illinois Emergency Relief Commission had allocated $9,899,327 to the counties between February 6 and April 15, 1932, and, of this amount, $9,541,277 had been allocated to Cook County.[5] Before July 29, 1932, the Illinois Emergency Relief Commission had allocated $18,715,872 to the counties and the state fund was therefore almost exhausted.[6] The first allocation of federal funds to Illinois was made on July 27, 1932. The tremendous burden of unemployment relief which had alarmed all who were thoughtful with regard to what was to happen when local funds were finally exhausted had also raised the inevitable question as to whether there might be unwise use of the funds and particularly whether the administration might not be too costly as compared with the relief given.[7] One of the consequences was an investigation undertaken by a subcommittee of assemblymen of the Illinois state legislature. The report of this committee, made public on August 3, 1932,[8] recommended to the Illinois Emergency Relief Commission, among other matters, the following:

1. Salaries should be reduced and standardized.[9]
2. Not more than one member of a family should be employed in relief work.
3. No relief commission worker should be given a vacation with pay.

[5] *First Interim Report of the Illinois Emergency Relief Commission*, April 15, 1932, p. 10.

[6] *Second Interim Report of the Illinois Emergency Relief Commission*, August 31, 1932, p. 3.

[7] The Joint Relief Fund had spent approximately $10,000,000 of private funds in Cook County before February 1, 1932, and the Cook County Bureau of Public Welfare had spent $2,000,000. Local funds were almost exhausted February 1, 1932. State funds were practically exhausted between February 1 and August 1, 1932. Between August 1, 1932, and January 1, 1933, the Illinois Emergency Relief Commission administered $25,442,536 of federal funds. The total expenditure for unemployment relief in Cook County, from private, county, state, and federal funds, from the beginning of the winter, 1931–32, to the end of December, 1932, was approximately $50,000,000.

[8] See the *Chicago Tribune*, August 3, 1932.

[9] The *Fourth Interim Report of the Illinois Emergency Relief Commission*, January 20, 1933, p. 12, shows that only 7 per cent of the state and federal funds expended in Cook County have been expended for salaries.

The third recommendation was immediately carried out by the Illinois Emergency Relief Commission. All vacations with pay were discontinued in the Unemployment Relief Service and in the Field Service Division of the Cook County Bureau of Public Welfare after the third week in July. Although part of the staff had already had vacations those employees who had waited until late in the summer were deprived of any salaried relief from their tasks. In the United Charities and the Jewish Social Service Bureau part of the financial support was still derived from private funds. It was therefore possible in these agencies for the boards of directors to make other arrangements; in the United Charities half of the usual vacation was given and in the Jewish Social Service Bureau the entire vacation was given.

The second recommendation of the committee was also carried out and not more than one member of a family can now be employed on the staff of the Unemployment Relief Service.[10]

The recommendation with regard to reduction of salaries naturally met with considerable protest, and the actual revision of the scale was delayed until November. Meantime, the figures presented below were being assembled from the records of the Unemployment Relief Service of the Cook County Bureau of Public Welfare and from questionnaires distributed to social workers in the United Charities, the Jewish Social Service Bureau, and the Field Service Division of the Cook County Bureau of Public Welfare. The data given were correct, to the best of our knowledge, on October 1, 1932. The figures for salaries have ceased to be correct in so far as the salary scale in the Unemployment Relief Service was reduced in November. Changes in the salary scale, however, are discussed in connection with figures given.

Before the economic depression, with its consequent volume of unemployment, the United Charities and the Jewish Social Service Bureau served such cases of families in distress as are ordinarily handled by the modern family welfare society. Among these families there are always cases of unemployment. The Field Service Division of the Cook County Bureau of Public Welfare may serve only cases that come within the definition of the poor law, but these

[10] This ruling has been revised to exempt case workers and others of the professional staff.

cases may also include those of destitution due to unemployment. Thus, all the family welfare and relief agencies in Chicago in the ordinary course of their work received unemployment cases. The pressure of applications with the increasing volume of unemployment, however, demanded that some readjustments be made in the organizations. The first step was the organization of the Joint Emergency Relief Service of Cook County to administer private relief funds for unemployment. When the private relief fund was exhausted and the Illinois Emergency Relief Commission was created in February, 1932, the Joint Emergency Relief Stations, formerly supported by private funds, became the Unemployment Relief Service, a branch of the Cook County Bureau of Public Welfare, which was designated as the official public agent of the Illinois Emergency Relief Commission.[11] A series of conferences among the executives of the family welfare and relief agencies, including the Cook County Bureau of Public Welfare, led to an allocation of the case load among the several agencies and the Unemployment Relief Service, which on August 22, 1932, was summarized as follows:[12]

> All cases where unemployment is the major problem and where the family situation is not complicated by other serious social difficulties should be handled by the Unemployment Relief Service. Relief, until employment can be secured, is the chief need. Only cases which can be treated upon an economic level, plus services aimed at placing the resources of the community for promotion of health, education, recreation, etc. at the command of the client, should be accepted by the Unemployment Relief Service. All other cases go to the other family agencies.
>
> It must be kept in mind, however, that there is no possibility of there being, in the near future, sufficient case work service to meet the need. Many cases must be treated necessarily on a relief level, although they need and would profit by case work. The Unemployment Relief Service will be carrying at all times a certain number of families to whom case work service would be given in times when family agencies are under less pressure.

This general statement was followed by detailed definitions and instructions to the agencies.

Among the four organizations under consideration in this report,

[11] The Joint Emergency Relief Fund continues to receive comparatively small grants from the Illinois Emergency Relief Commission on behalf of the private relief agencies in Cook County.

[12] Mimeographed bulletin.

therefore, there may be considerable difference in the character of the case load and consequently in the type of service that must be rendered by the agency. In order to meet the problem of serving an extremely large case load with a relatively small number of trained social workers the Unemployment Relief Service has employed a new group of workers called "case work aides." It was the intention of the organization to place each of these aides under the direction of a trained case worker and not to require of the aide any responsibility for the type of treatment given. In actual practice this has not proved possible and some case work aides are given responsibility for a case load. The fact that the case load is limited, by agreement, to cases that can be "treated upon an economic level" makes it possible, however, to employ as aides young persons of intelligence and good personality who are neither trained for nor experienced in social work. All appointments in the Unemployment Relief Service are now made on the recommendation of a committee of the Advisory Board of the Cook County Bureau of Public Welfare, the members of which are appointed by the president of the Board of County Commissioners. This committee has set up certain standard qualifications and holds examinations for all applicants.[13]

The records of 1,120 social workers and case work aides in the four organizations—the United Charities, the Jewish Social Service Bureau, the Field Service Division of the Cook County Bureau of Public Welfare, and the Unemployment Relief Service—have been analyzed. Facts with regard to salary, education, training, and experience of social workers and case work aides in the Unemployment Relief Service were transcribed from the application blanks on file in the central office. These applications had been verified by letters from at least two references and the application had been approved by the examining committee. It is therefore reasonably certain that the facts are correct. For the other three organizations, questionnaires covering the same facts were distributed to the workers. The executives of each of the three agencies made themselves responsible for returning a practically complete set of schedules. While some ambiguities of reply were found in a few of the returns, the character

[13] The present policy is to prefer as case work aides members of families who are on the relief rolls, if such persons satisfy the committee as to their fitness for the work.

of the results is believed to be considerably above the average for a questionnaire study and the schedules represent 95 per cent of the social workers and case work aides employed in the four organizations.

Among the 1,120 records there were 523 case work aides, 502 case workers, 50 assistant district supervisors or superintendents, and 45 district supervisors. There is, as yet, no completely accepted or standardized practice with regard to titles of position and duties involved by certain positions in social work. No attempt has been made in this study to set up an ideal or arbitrary classification into which the cases of actual variation would have to be fitted. Instead, the title given in the record or reported in the questionnaire has been accepted. The results have been tabulated with the full knowledge that case work in one agency may not mean exactly the same thing as case work in another agency. It must be the function of some other investigation to carry on a job analysis that will reveal the differences among positions that are now described by one title.

Omitting the chief executives and their immediate assistants, and specialists, such as the attorneys in the legal aid division, only six titles of positions were actually found among those carrying directly the volume of the case load. The six positions are those of case work aide, case worker, interviewer, assistant district supervisor, case work supervisor, and district supervisor. The case work aides, described above, are found only in the Unemployment Relief Service and in the Field Service Division of the Cook County Bureau of Public Welfare, where there has been an urgent need for supplementing the professional staff by intelligent but relatively cheap service.[14]

Certain questions have been raised with regard to the classification of interviewing and interviewers. It has been the practice in certain social agencies to consider interviewing as something less than case work and therefore calling for less well-trained and less experienced workers. In other agencies the process of interviewing has been recognized as one of the crucial points in the process of case work. It is now the policy in the Chicago relief agencies, including the Unemployment Relief Service, to use only trained case workers as

[14] One case work aide was reported in the United Charities. This was a woman who had been employed by the agency for a year but was still on a temporary basis.

interviewers. Therefore the 43 records of workers who were formerly classified as interviewers have been grouped with the 159 case workers, making a total of 202 case workers in the Unemployment Relief Service. Only 8 interviewers were reported by the other three organizations and these also have been added to the numbers of case workers.

No distinction has been made in this study between "junior" and "senior" case worker since, at the time these data were collected, there was no standard practice with regard to such a classification. The civil service appointees of the Cook County Bureau were officially classified as junior and senior case workers. In the United Charities, however, the distinction had developed only through the organization of a social club of case workers and there were no officially stated qualifications for the junior or senior worker which were recognized in the salary scale or in the standards for appointment. In the Unemployment Relief Service there was likewise no distinction between senior and junior case workers in the records or in the salary scale, although salaries between the maximum and minimum were undoubtedly dependent upon experience. Since this investigation was begun, however, the official scale in the Unemployment Relief Service has been revised and now introduces the two grades of senior and junior case worker.

The position of case work supervisor has also required adjustment in classification. Since all the agencies except the Jewish Social Service Bureau are organized in district offices which are separated not only by lines of organization but by physical distance, the problem of supervising case work has become a district function. It is customary in the two branches of the Cook County Bureau of Public Welfare for this function to be exercised mainly by the assistant district supervisors. In the United Charities supervision is exercised by both district superintendents and assistant district superintendents. No titles of "case work supervisor" were reported, therefore, except in the Jewish Social Service Bureau and the Cook County Bureau of Public Welfare. Since the duties and salaries of these particular supervisors are comparable to those of district supervisors in other agencies, the case work supervisors have been classified with the district supervisors.

District supervisors or superintendents as they are called in certain agencies, are responsible for the entire organization of a district office, except for the appointment of workers, the formulation of the general policies of the agency, and the general matters of co-operation with other agencies.[15] These district offices must function in detail, much as a small independent agency functions in a smaller city, and the superintendents must therefore be persons who are capable of working without immediate supervision.

Among the 694 records from the Unemployment Relief Service, 465 were case work aides. The number of aides thus averages more than two to each case worker. In the Field Service Division, on the other hand, the number of aides[16] is only one-third of the number of case workers. In the United Charities and the Jewish Social Service Bureau no case work aides are employed.[17]

The salary for newly appointed case work aides in the Unemployment Relief Service on October 1, 1932, when this information was compiled, was $85 per month. When the service was first organized the salary had been $100 but the rate was lowered from $100 to $90 and again to $85. These first two reductions affected new appointments only and did not affect persons already on the pay-roll. Thus, on October 1, 1932, 200 case work aides were receiving $100, 27 were receiving $90, and 231 were receiving $85. The reduction from $100 to $90 in November, as a result of the recommendations to the Illinois Emergency Relief Commission, affected the 200 aides who had been in the service for a year, reducing their salaries from $100 to $90 per month.

In the Field Service Division of the Cook County Bureau of Public Welfare the range of salary for case work aides extends from $75 to $100 per month. The median, however, is $90 a month.

The salaries of case workers in the four organizations are shown in Table I. Salaries range from $100 to $170 per month.[18] The

[15] In the Jewish Social Service Bureau only one district is separately housed.

[16] Including 16 case work aides who did not answer the questionnaire.

[17] Students in training in the Jewish Social Service Bureau were omitted, since their status is definitely that of a student and not an aide. One case work aide was found in the United Charities.

[18] The new scale in the Unemployment Relief Service gives as a maximum for junior case workers, $115, and for senior case workers, $150. The minimum figures were unchanged.

median monthly salary for case workers in all the agencies was $124. The median salaries for case workers in the four organizations are as follows: Jewish Social Service Bureau $135; Field Service Division, $126; United Charities, $123; Unemployment Relief Service, $121.

TABLE I

MONTHLY SALARY OF CASE WORKERS IN FOUR FAMILY WELFARE AND RELIEF AGENCIES IN CHICAGO, OCTOBER 1, 1932

MONTHLY SALARY	CASE WORKERS IN SPECIFIED AGENCIES				
	Total	Jewish Social Service Bureau	United Charities	Unemployment Relief Service	Field Service Division C.C.B.P.W.
Total	502	42	150	202	108
Full-time workers	488	39	149	192	108
$100–$104	37	.....	14	19	4
105– 109	5	.....	1	2	2
110– 114	101	2	36	49	14
115– 119	50	.....	12	23	15
120– 124	56	8	20	21	7
125– 129	87	.....	25	24	38
130– 134	32	10	10	10	2
135– 139	9	1	4	3	1
140– 144	22	1	6	10	5
145– 149	23	9	.....	4	10
150– 154	23	1	5	13	4
155– 159	4	.....	2	2	.....
160– 164	9	.....	4	4	1
165– 169	20	7	9	4	.....
170– 174	4	.....	.....	4	.....
Not reported	6	.....	1	.....	5
Part-time workers	14	3	1	10	.....

Although it was possible for salaries of case workers on October 1, 1932, to go as high as $170, three-quarters of the case workers employed were actually receiving less than $135. The salary scale, which is often the point of attack, is misleading as an indication of the general level actually in operation. Three-quarters of the case workers in the Field Service Division were receiving less than $130, in the United Charities and the Unemployment Relief Service less than $135, and in the Jewish Social Service Bureau less than $150.

The salaries of assistant district supervisors shown in Table II, range from $127.50 to $180. The lowest salaries in this group are

reported in the Field Service Division. The rate in the Unemployment Relief Service on October 1 was $175.[19] The rate in the United Charities ranges from $166.12 to $180 and in the Jewish Social Service Bureau it was $180. District supervisors and case work

TABLE II

SALARIES OF ASSISTANT DISTRICT SUPERVISORS IN FOUR FAMILY WELFARE AND RELIEF AGENCIES IN CHICAGO, OCTOBER 1, 1932

Monthly Salary	Assistant District Supervisors in Specified Agencies				
	Total	Jewish Social Service Bureau	United Charities	Unemployment Relief Service	Field Service Division C.C.B.P.W.
Total	50	1	18	17	14
$125–$129	1	.....	.....	.....	1
130– 134	1	.....	.....	.....	1
135– 139	.....	.....	.....	.....	.....
140– 144	1	.....	.....	.....	1
145– 149	1	.....	.....	.....	1
150– 154	.....	.....	.....	.....	.....
155– 159	.....	.....	.....	.....	.....
160– 164	.....	.....	.....	.....	.....
165– 169	11	.....	11	.....	.....
170– 174	9	.....	.....	.....	9
175– 179	22	.....	4	17	1
180– 184	4	1	3	.....	.....

supervisors (Table III) receive salaries ranging from $175 to $237 per month.[20] The highest salary in this group was reported in the Unemployment Relief Service but since the November salary cut the salaries of district supervisors in the Unemployment Relief Service are less than in the United Charities and the Jewish Social Service Bureau.

To those persons in the community who are interested in professional standards it will immediately be apparent that these salaries are low. Some explanation will be sought in the personal qualifica-

[19] Now reduced to $160.

[20] Not including an "acting district supervisor" at $148.76; now reduced in the Unemployment Service to $200.

tions of the social workers and in their education, professional training, and experience. Questions may be raised as to whether they are single women without dependents, or young persons recently out of school, not yet established in the profession of social work.

TABLE III

MONTHLY SALARY OF DISTRICT SUPERVISORS AND CASE WORK SUPERVISORS IN FOUR FAMILY WELFARE AND RELIEF AGENCIES IN CHICAGO, OCTOBER 1, 1932

MONTHLY SALARY	DISTRICT SUPERVISORS IN SPECIFIED AGENCIES				
	Total	Jewish Social Service Bureau	United Charities	Unemployment Relief Service	Field Service Division C.C.B.P.W.
Total	44*	9	14	10	11
$175–$179	2	1	.....	.....	1
180– 184	3	1	2	.....	.....
185– 189	13	.....	.....	4	9
190– 194	3	2	1	.....	.....
195– 199	2	.....	2	.....	.....
200– 204	3	1	.....	1	1†
205– 209	1	.....	1	.....	.....
210– 214	2	1	.....	1	.....
215– 219	2	1	1	.....	.....
220– 224	.....	.....	.....	.....	.....
225– 229	10	1	7	2	.....
230– 234	.....	.....	.....	.....	.....
235– 239	1	.....	.....	1	.....
Not reported	1	.....	.....	1	.....
Part-time salary	1	1	.....	.....	.....

* One "acting district supervisor" whose salary is $148.76 is omitted from this table.
† This is a case work supervisor who also acts as assistant to the assistant director.

It is true that a large proportion of these persons are young. The median age for all of the 1,120 workers is 29; medians for the several agencies are as follows: Jewish Social Service Bureau, 27; Unemployment Relief Service, 28; United Charities and Field Service Division of the Cook County Bureau of Public Welfare, 30. Among the case work aides, seventy per cent are under 30 years of age, 42 per cent are under 25. The salary range for this group is not wide and there is no apparent relationship between the age of the case work aide and the salary received. There were 45 case work aides who were 40 or over and were receiving $100 or less.

Even among the social workers, excluding the case work aides, the number of young persons is large. Table V shows the ages of social workers in relation to their salaries. Half of this group are less than 31, one-fourth are under 26, and three-fourths are under 38. Only one-third are between the ages of 35 and 55, ages within which a professional foothold is ordinarily established and maximum earning power is likely to be reached. There appears to be very little relationship between salary and age. In every age group there is a considerable range in salary and within every salary group considerable variation with regard to age. The median salary groups shown in Table IV for each age group from 25 to 55 indicate the uncertainty of relationship between age and salary and suggest that other factors are of more importance in determining salaries of social workers.

TABLE IV

Age Group	Salary Group Containing the Median for the Given Age Group
20–24	$110–$119
25–29	120– 129
30–34	140– 149
35–39	130– 139
40–44	130– 139
45–49	160– 169
50–54	140– 149

It may be suggested in passing, however, that the unlikelihood of attaining a salary of more than $139 between the ages of 35 and 45 should be of considerable concern to boards of directors that are interested in getting and keeping an efficient personnel in their agencies.

By far the larger number of these 1,120 workers are women, approximately nine-tenths among the social workers, and seven-tenths among the case work aides. The average age of men and women, both among the case work aides and the social workers, is about the same. It is apparent, that there are no differences among the social workers in the median salary groups for men and women, although it is true that none of the men receive more than $189, while the women's salaries reach to $237. Among the case work aides the

salary level for women is slightly higher, but this is due to the fact that most of the aides originally employed at a salary of $100 were women.

The records of academic education shown in Table VI are noteworthy. Only 3 of all the 597 social workers (excluding case work aides) are not high-school graduates. Only 27 are high-school graduates without further academic education. Among the 597 an over-

TABLE V

SOCIAL WORKERS IN FOUR FAMILY WELFARE AND RELIEF AGENCIES IN CHICAGO CLASSIFIED BY AGE AND MONTHLY SALARY, OCTOBER 1, 1932

MONTHLY SALARY	SOCIAL WORKERS OF SPECIFIED AGE (OMITTING CASE WORK AIDES)												
	Total	20–24	25–29	30–34	35–39	40–44	45–49	50–54	55–59	60–64	65–69	70–74	Not Reported
Total	597	127	145	98	89	48	36	21	6	2	.....	1	24
Full-time workers	582	124	141	93	87	48	35	21	6	2	.....	1	24
$100–$109	42	15	14	4	3	.....	.....	3	.....	.....	.....	.....	3
110– 119	151	60	39	15	16	8	2	1	.....	.....	.....	.....	10
120– 129	144	37	32	21	23	13	6	5	1	.....	.....	.....	6
130– 139	42	9	19	4	5	4	1	.....	.....	.....	.....	.....	.....
140– 149	48	1	17	5	10	4	4	4	2	.....	.....	.....	1
150– 159	27	1	4	6	7	4	1	1	2	.....	.....	.....	1
160– 169	40	.....	6	14	6	3	8	2	.....	.....	.....	1	.....
170– 179	37	.....	7	11	10	5	3	.....	.....	.....	.....	.....	1
180– 189	20	.....	1	6	2	3	5	2	.....	1	.....	.....	.....
190– 199	5	.....	1	2	1	1	.....	.....	.....	.....	.....	.....	.....
200– 209	4	.....	1	.....	1	1	1	.....	.....	.....	.....	.....	.....
210– 219	4	.....	.....	3	1	.....	.....	.....	.....	.....	.....	.....	.....
220– 229	10	.....	.....	1	1	.....	3	2	1	1	.....	.....	1
230– 239	1	.....	.....	.....	.....	.....	1	.....	.....	.....	.....	.....	.....
Not reported	7	1	.....	1	1	2	.....	1	.....	.....	.....	.....	1
Part-time workers	15	3	4	5	2	.....	1	.....	.....	.....	.....	.....	.....

whelming majority, 429, or 73 per cent, are college graduates, 287, or 49 per cent, have pursued postgraduate work in colleges or universities, and 52 have degrees higher than a Bachelor's degree.

Among the four agencies represented there are not great differences in the proportions of college graduates. In the Field Service Division 66 per cent, in the United Charities 72 per cent, in the Unemployment Relief Service 76 per cent, and in the Jewish Social Service Bureau more than three-fourths are college graduates. The proportions with some postgraduate work vary more widely, from 44 per cent in the Unemployment Relief Service to three-fifths in the Jewish Social Service Bureau.

TABLE VI

SOCIAL WORKERS IN FOUR FAMILY WELFARE AGENCIES IN CHICAGO CLASSIFIED ACCORDING TO ACADEMIC EDUCATION AND MONTHLY SALARY

ACADEMIC EDUCATION	SOCIAL WORKERS RECEIVING SPECIFIED MONTHLY SALARY																
	Full-Time Workers																Part-Time Workers
	Total Full-Time Workers	$100–$109	$110–$119	$120–$129	$130–$139	$140–$149	$150–$159	$160–$169	$170–$179	$180–$189	$190–$199	$200–$209	$210–$219	$220–$229	$230–$239	Not Reported	
Total	582	42	151	144	42	48	27	40	37	20	5	4	4	10	1	7	15
Not a high-school graduate	3	.....	.....	1	.....	.....	.....	2	.....	.....	.....	.....	.....	.....	.....	.....	.....
High-school graduate, no more	26	.....	3	14	.....	3	1	.....	2	2	.....	.....	.....	.....	.....	1	1
Some college work*	46	3	9	10	2	5	7	4	.....	2	1	1	.....	1	1	.....	1
One year college or normal school	14	1	2	4	1	.....	1	2	1	1	.....	.....	.....	.....	.....	1	1
Two years college or normal	33	3	6	8	1	2	4	2	2	3	.....	.....	.....	2	.....	.....	.....
Three years college	23	2	5	6	1	3	1	3	.....	.....	.....	.....	1	.....	.....	1	.....
Four years college, no degree	12	1	2	3	2	2	.....	.....	.....	1	.....	1	.....	.....	.....	.....	.....
Bachelor's degree, no more	139	16	49	30	10	8	2	11	7	3	.....	.....	2	.....	.....	1	3
Some graduate work, no advanced degree	229	12	66	54	21	16	7	13	19	6	4	2	1	5	.....	3	6
Master's degree	45	4	7	9	4	8	2	3	4	2	.....	.....	.....	2	.....	.....	3
Ph.D.	2	.....	.....	2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
M.D., J.D., or other professional degree	2	.....	1	.....	.....	.....	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Not reported	8	.....	1	3	.....	1	1	.....	2	.....	.....	.....	.....	.....	.....	.....	.....

* Amount not specified.

Among the case work aides 79 per cent have graduated from college; 29 per cent have had some postgraduate work. Thirty case work aides have Master's degrees.

There is apparently a very slight relation between the education and salary of social workers in these agencies. In every salary group there is a scattering of persons with all grades of education. The median salary group remains the same, $120–$129, for each grade of academic education up to the Master's degree. Among the 48 social workers who hold Master's degrees, however, the median salary rises to the group $130–$139.

Among the 272 social workers under 30 years of age only 28 had not graduated from college. The policy of not employing young persons who have not received a Bachelor's degree seems to be quite generally followed in these agencies. Moreover, there is a marked tendency toward preference for those young persons who have pursued postgraduate work in a college or university. The summary in Table VII indicates that the grade of education which may be considered the "median education" for each age group declines from some graduate work in the younger age groups to only three years of college for the older workers.

TABLE VII

Age Group	Median Education for Group
20–24	Some graduate work, no advanced degree
25–29	Some graduate work, no advanced degree
30–34	Some graduate work, no advanced degree
35–39	Bachelor's degree, no graduate work
40–44	Bachelor's degree, no graduate work
45–49	Three years college
50–54	Some college work, amount not specified

Sixty-eight per cent of the case workers and supervisors and 18 per cent of the case work aides, 502 in all, have attended a school of social work. Nineteen different schools, all members of the Association of Schools of Social Work, have been responsible for the professional education and training of these 502 workers. Among the 1,120 employed in the four agencies, 427 received training in local schools of social work while 69 were trained in schools of social work outside the city of Chicago.

The proportions of case workers and supervisors (i.e., excluding the case work aides) in each of the four organizations who have attended a school of social work are as shown in Table VIII.

TABLE VIII

	Percentage Attended School of Social Work
Jewish Social Service Bureau	90
United Charities	73
Field Service Division	69
Unemployment Relief Service	59

Among those who have attended schools of social work, more than half were graduate students, less than half undergraduates, a very few were in schools of social work for both undergraduate and graduate work. There appears to be very little difference in the age distribution of the group who have attended a school of social work and those who have not. One-fourth of those under 25 and about one-third of those under 30 had not attended a school of social work.

For the social workers who attended a school of social work and for those who did not, the median salary group is the same, i.e., $120–$129. Beginners' salaries, however, are higher for those who have had at least three months' supervised field work. Hence, salaries range somewhat higher for the group who have attended a school of social work; the third quartile for this group shows that three-quarters receive less than $161, while in the group who have not attended a school of social work three-quarters receive less than $140.

Among the 408 social workers who have attended a school of social work, as shown in Table IX, only 134 have had as much as one full year's course. The median length of time in a school of social work is one and one-half quarters or one semester. The medians for the several agencies are the same. In other words, half of the social workers in these four organizations who have attended a school of social work have had less than four or five courses in the school, pursued either at one time or spread over a considerable period of time; and half had had more courses than that. Half of the case work aides who have attended a school of social work have had less than one quarter.

A very small proportion of the social workers hold certificates or degrees from schools of social work. Among the 408 social workers attending courses, only 22 had certificates, 46 had Bachelor's degrees in social service, and 17 had Master's degrees in social service. Among the case work aides, 6 had Bachelor's degrees from a school of social work.

TABLE IX

SOCIAL WORKERS IN FOUR FAMILY WELFARE AND RELIEF AGENCIES IN CHICAGO CLASSIFIED ACCORDING TO LENGTH OF ATTENDANCE IN SCHOOL OF SOCIAL WORK

LENGTH OF ATTENDANCE IN SCHOOL OF SOCIAL WORK	SOCIAL WORKERS WHO ATTENDED A SCHOOL OF SOCIAL WORK				
	Total	Jewish Social Service Bureau	United Charities	Unemployment Relief Service	Field Service Division C.C.B.P.W.
Total	408	47	132	136	93
Less than one quarter*	103	11	37	24	31
One quarter	68	6	20	29	13
One and one-half quarters†	27	6	8	10	3
Two quarters	37	6	12	9	10
Two and one-half quarters	9	.....	3	4	2
Three quarters‡	65	8	21	17	19
Four quarters	19	1	5	9	4
Five quarters	4	.....	.....	3	1
Six or more quarters§	46	3	15	22	6
Not reported	30	6	11	9	4

* That is, less than full work for one quarter.
† Or one semester, full work.
‡ Or one year, full work.
§ Two years or more, full work.

That the social workers themselves feel this need for some professional courses and are encouraged by their agencies in this respect, seems to be indicated by the fact that 219 of the 502 attending schools of social work pursued their courses while they held salaried positions in social agencies. Only 21 of the 597 social workers (excluding the case work aides) in these agencies reported that they had had apprenticeship training for social work in a social agency. Among these, 11 had also attended a school of social work. Whether or not the apprenticeship method of training has nearly disappeared among the social workers in Chicago or whether the question was

not framed in a way to be readily answered, it is impossible to say. There is a marked contrast in this respect between the 597 family welfare workers in Chicago and the 348 social workers who replied to a similar question in Los Angeles.[21] There it was found that 173 of the 348 had had apprenticeship training in a social agency, although 98 of these also reported attendance at a school of social work.

Among the 597 social workers 43 had had other professional or technical training such as that in medicine, law, the ministry, and nursing, but 27 of these 43 had also attended a school of social work.

There appears to be very little relationship between salaries and age, sex, academic education, or professional training. It remains to inquire into the experience of these social workers and case work aides and to discover whether salaries are affected by length of experience in social work.

Table XI indicates that about 44 per cent of the social workers (excluding the case work aides) have had less than two years' experience in social work. The median length of experience for the group is a little over two years. Excluding the case work aides, the median experience in the Jewish Social Service Bureau is 3 years and in the other three agencies 2 years.

Among the 597 social workers, excluding the case work aides, the figures in Table X seem to indicate a definite and gradual increase in salary with increasing years of experience. Though the salary does increase with experience, the increases are not large and it is again apparent that the likelihood of a salary of only $145 after five years' experience in social work fails to make the profession specially attractive. "Plain living and high thinking" is surely the only standard of living that can be maintained by these seasoned social workers.

Salaries of case work aides vary only slightly with experience, since this group is theoretically without training and experience for

[21] *Report of the Committee on Development and Protection of Standards of Public Social Welfare of the Los Angeles Chapter of the American Association of Social Workers* (mimeographed). This report covers all types of social agencies in Los Angeles and includes executives as well as case workers in the tabulations. For that reason the results at many points are not strictly comparable with this more narrowly selected group in Chicago. The group studied in Los Angeles is somewhat older and more experienced.

social work. A few case work aides were found who had had experience in social work but the experience in most cases was employment in the "character-building" agencies where no training or experience in the process of case work had been acquired.

TABLE X

Total Experience in Social Work	Median Salary
Less than 1 year	$116
1 year and less than 2	121
2 years and less than 3	126
3 years and less than 4	133
4 years and less than 5	143
5 years and less than 6	145
6 years and less than 9	156
9 years and less than 12	168
12 years and over	174

We have been concerned with the levels of salaries in this group of family welfare agencies and in the factors determining the salary level. The absolute size of the salary, however, is only one side of the economic life of the individual. The number of persons who must be maintained on that salary, and the other goods, services, and enjoyments received in addition to the salary are quite as significant for happy and efficient life. The questionnaires have shown that a large proportion of the social workers are women, but the number of men is not negligible. Moreover, even though the social workers are women, they may have family responsibilities that make demands upon their incomes.

More than one-half of the men are married, more than half of the women are single. No question was asked with regard to the number of dependents. It cannot be assumed, however, that since nearly half of the entire number are single women there is no question of making the salaries paid in these social agencies cover the needs of dependents. The Pittsburgh Council of Social Agencies found in a similar study[22] of the salary, training, and experience of social workers in that city that 28 per cent of the single women had one or more

[22] *Preliminary Report on Personnel and Salaries in Pittsburgh Social Agencies*, Bureau of Social Research, Federation of Social Agencies of Pittsburgh and Allegheny County (mimeographed).

TABLE XI

SOCIAL WORKERS IN FOUR FAMILY WELFARE AND RELIEF AGENCIES IN CHICAGO CLASSIFIED BY MONTHLY SALARY AND NUMBER OF YEARS' EXPERIENCE IN SOCIAL WORK, OCTOBER 1, 1932

TOTAL NUMBER OF YEARS' EXPERIENCE IN SOCIAL WORK	SOCIAL WORKERS WITH SPECIFIED MONTHLY SALARY															
	Full-Time Workers															Part-Time Workers
	Total	$100–$109	$110–$119	$120–$129	$130–$139	$140–$149	$150–$159	$160–$169	$170–$179	$180–$189	$190–$199	$200–$209	$210–$219	$220–$229	$230–$239	Not Reported	
Total	582	42	151	144	42	48	27	40	37	20	5	4	4	10	1	7	15
Less than 1 yr.	137	23	74	29	5	1	.....	.....	1	.....	.....	.....	.....	1	.....	2	5
1 yr. and less than 2	105	11	35	44	7	1	1	1	3	1	.....	.....	.....	.....	.....	1	2
2 yrs. and less than 3	58	2	14	22	10	5	1	1	2	.....	.....	.....	.....	.....	.....	1	.....
3 yrs. and less than 4	20	2	5	10	10	6	2	1	2	1	.....	.....	.....	.....	.....	.....	.....
4 yrs. and less than 5	33	.....	6	7	2	6	3	5	3	1	.....	.....	.....	.....	.....	.....	3
5 yrs. and less than 6	27	1	.....	6	4	5	2	3	4	.....	1	.....	.....	1	.....	.....	.....
6 yrs. and less than 7	31	1	4	7	.....	5	.....	9	2	2	1	.....	.....	.....	.....	.....	.....
7 yrs. and less than 8	16	1	.....	1	.....	3	1	3	4	2	.....	1	.....	.....	.....	.....	.....
8 yrs. and less than 9	25	.....	4	4	2	5	3	6	1	.....	.....	.....	.....	.....	.....	.....	1
9 yrs. and less than 10	19	.....	1	2	1	.....	4	3	5	.....	1	.....	1	.....	1	.....	.....
10 yrs. and less than 11	8	.....	.....	1	.....	.....	.....	.....	1	2	1	1	1	1	.....	.....	2
11 yrs. and less than 12	11	.....	1	2	.....	1	1	3	1	.....	.....	1	1	.....	.....	.....	1
12 yrs. and less than 13	6	.....	.....	1	.....	2	.....	.....	2	.....	1	.....	.....	.....	.....	.....	.....
13 yrs. and less than 14	3	.....	1	.....	.....	1	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
14 yrs. and less than 15	7	.....	.....	.....	.....	2	.....	.....	1	3	.....	.....	.....	1	.....	.....	.....
15 yrs. and less than 16	3	.....	.....	.....	.....	.....	.....	1	.....	1	.....	.....	.....	.....	.....	1	.....
16 yrs. and less than 17	3	.....	.....	.....	.....	1	1	.....	1	.....	.....	.....	.....	.....	.....	.....	.....
17 yrs. and less than 18	3	.....	.....	.....	.....	.....	.....	.....	1	.....	.....	.....	.....	2	.....	.....	.....
18 yrs. and less than 19	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1	.....	.....	.....
19 yrs. and less than 20	1	.....	.....	.....	.....	.....	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
20 yrs. and less than 21	3	.....	.....	.....	.....	.....	1	.....	.....	1	.....	1	.....	.....	.....	.....	.....
21 yrs. and less than 22	5	.....	.....	.....	.....	1	.....	1	.....	1	.....	.....	.....	1	.....	1	.....
22 yrs. and less than 23	4	.....	.....	1	.....	1	.....	.....	.....	2	.....	.....	.....	.....	.....	.....	.....
23 yrs. and over	3	.....	.....	.....	.....	1	.....	.....	.....	1	.....	.....	.....	1	.....	.....	.....
Not reported	32	1	6	7	1	1	5	3	3	2	.....	.....	1	1	.....	1	1

persons wholly dependent upon them and that 70 per cent had one or more persons either fully or partially dependent. The single men and married women had dependents in about the same proportion as the single women. The married men reported an average of two and one-half persons fully dependent upon them. Among the whole group 36 per cent had one or more persons totally dependent. In Los Angeles, where a similar question was answered[23] by 348 social workers, 265 of whom were women, 46 per cent reported one or more persons totally dependent. There is no reason to believe that this group of social workers in Chicago is different in this respect from the social workers in Pittsburgh and Los Angeles.

Vacations on full pay have been fairly well established in industrial as well as professional employment in the United States. In social work it seems particularly necessary for the maintenance of health, sanity, and efficiency to relieve the workers even for a brief period from their daily contact with cases of distress. The action of the Illinois Emergency Relief Commission which nevertheless discontinued all vacations on pay, affected both the Unemployment Relief Service and the Field Service Division of the Cook County Bureau of Public Welfare. No reports on the subject of vacations were received from the Unemployment Relief Service. In all of the agencies the length of vacation is dependent upon length of service, and workers on temporary appointments are not eligible for any vacation. There is thus possibility for considerable individual variation in the length of vacation. In the Cook County Bureau of Public Welfare it was the policy, until the summer of 1932, to give one day's vacation for each month of service up to a maximum of 12 working days. Unused sick leave could, however, be added to this vacation allowance. The instances in which the total vacation equaled one month were rare. In 1931 the most usual vacation was from two to three weeks. In 1932, however, 117 of the 191 workers received no vacation on pay.

The policy in the Jewish Social Service Bureau is to give four calendar weeks' vacation after one year of service. Most of the workers received this much vacation both in 1931 and in 1932.

In the United Charities, before 1932, the policy allowed vacations,

[23] Report cited above.

beginning with 9 days after six months' service and increasing to 26 days after nineteen months' service. In 1932 the amount of vacation was reduced by one-half. Thus the majority of the workers in this agency received from one to three weeks' vacation in 1932.

The civil service appointees in the Cook County Bureau of Public Welfare receive 15 working days on full pay as sick leave. In the Unemployment Relief Service the allowance is one and one-half days per month. In the United Charities 12 days is allowed as a matter of routine policy, but cases of sickness lasting more than 12 days are considered by the Board of Directors and the salary may be paid for many months. In the Jewish Social Service Bureau all sick leave is adjusted on an individual basis by the Board of Directors.

In the Cook County Bureau of Public Welfare the civil service appointees are eligible for old-age pensions to which they make a compulsory monthly contribution which is matched by Cook County. The county plan also provides for death benefits and for payments in case of permanent and total disability. The employees of the Unemployment Relief Service do not qualify for these benefits.

In the private agencies no provision is made for retirement with pensions. Group insurance policies, however, are carried to provide death benefits and payments in case of permanent and total disability. The employees and the boards of directors make equal monthly contributions amounting to sixty cents per month on each thousand dollars of the face value of the policy. The policies are limited in amount to $1,000 for staff workers, $3,000 for executives.

Many of the workers in these agencies have already suffered salary cuts. In May, 1932, maximum salaries of case workers in the Jewish Social Service Bureau and the United Charities were reduced 5 per cent; in the United Charities all salaries of more than $125 were cut 5 per cent and all over $175 were cut 10 per cent. Reductions in the Unemployment Relief Service and the Field Service Division of the Cook County Bureau of Public Welfare in November, 1932, have been referred to above. The reductions in the Unemployment Relief Service alone affected more than 250 workers.

Among the 220 social workers who were employed on May 1, 1931, and whose salaries at that time are known, 115 reported salary reductions. Only 10 of these had received a salary of more than $230

in May, 1931. The reductions of $20, $25, and $30 or more, shown in the figures in Table XII, are therefore very substantial reductions.

TABLE XII

Reduction in Monthly Salary between May 1, 1931, and October 1, 1932	Number Reported
$ 5	10
10	27
15	9
20	7
25	35
30 or more	27
Total	115

When the salaries of case workers in social agencies are compared with the salaries of public-school teachers, the case workers appear at a distinct disadvantage. In Chicago in 1932 the median salaries,[24] calculated on a twelve months' basis, were as follows: elementary-school teachers, $210; junior high school teachers, $227; and high-school teachers, $289. The median salary for elementary-school teachers in 88 cities of 100,000 population and over was $176, i.e., $52 per month higher than the median salary for case workers in family welfare agencies in Chicago on October 1, 1932. At the same period the high-school teachers in Los Angeles had a median salary of $183.[25] The report of the Los Angeles Chapter of the American Association of Social Workers makes the following comment:

> It is not to be implied, however, that the teachers represent the only possible yardstick for comparison. It is possible that the teachers, too, may suffer by comparison with other occupations. The Board of Education of the City of Los Angeles issued a report with regard to teachers' salaries in March, 1931, making comparisons with the salaries of persons employed in business and industrial establishments in Los Angeles and also with the salaries of teachers in 16 other cities of the United States. In that report it was shown that the maxi-

[24] Data on annual salaries of public-school teachers from *Report of the Survey of the Schools of Chicago, Illinois*, by George D. Strayer (Columbia University Press, 1932), p. 306.

[25] *Bulletin No. 6* of the Research Committee of the Affiliated Teachers' Organizations of Los Angeles, March, 1932, p. 8. Figures given above have been computed on a twelve months' basis. Median salaries for elementary- and high-school teachers were lower in Los Angeles than in 14 cities of 400,000 or more.

mum annual salary for high school teachers was $200 less than the average maximum annual salary in these 16 other cities. The comparisons made with other occupations in Los Angeles, however, are of perhaps greater interest.[26] The occupations which clustered about the median salary for social workers were those of steamfitter, electrician, accountant, steam engineer, draftsman, baker, stenographic secretary, and steam fireman—all a little above the median for social workers—and cashier, storekeeper, labor foreman, tractor driver, and auto repair man—but little below. After all, social workers are apparently not a professional group to be ranked with doctors and lawyers, or perhaps even teachers, but are to be classed with artisans who, however, honorable and valuable they may be, are certainly not highly equipped by formal education.

If the long summer vacation of school teachers be compared with the month or considerably less of social workers, the disadvantage is even more marked. Nevertheless, in education, professional training, and capacity for community leadership the social workers compare favorably with the public elementary-school teachers.

Compared with salaries for similar positions in social work in other cities the Chicago salaries are also low. The median salary for case workers in the family welfare agencies in Chicago was $24 less than that in Los Angeles in May, 1932, although the beginner's salaries are somewhat higher in Chicago. The median salary for family case workers in Chicago was $12 less than the median for case workers in various types of social agencies in Cleveland in May, 1932, and $1.00 less than the median in Pittsburgh. Moreover, the maximum salary for a case worker in Chicago is $35 lower than the maximum salary reported in member agencies of the Family Welfare Association in 1929.[27]

The inevitable conclusion from a study of these 1,120 records and questionnaires from staff members in four family welfare and relief agencies is that relief workers in Chicago are not receiving salaries

[26] It is unfortunate that only three "charity visitors" were included in this report of the Los Angeles Board of Education and that these three do not represent the general situation of social workers, since their median salary was $2,940. In most of the other occupations the Board of Education had sufficient numbers for a more representative statement. For report see *Monthly Labor Review*, U.S. Bureau of Labor Statistics, August, 1931, pp. 383–385.

[27] More recent figures on salaries in other cities and in the member agencies of the Family Welfare Association are not available at present but are shortly to be published by the Russell Sage Foundation.

that are commensurate with their education, training, and experience or with their status as a professional group of value to the community. They have been called upon to bear the brunt of face to face, daily contacts with families in distress for reasons over which they have no more control than their clients. They have been asked to carry case loads larger than they think can be handled efficiently. They have worked overtime without compensation and have been deprived of summer vacations. Their salaries before the economic depression were extremely modest; they cannot be said to have benefited in any way from the prosperous years of post-war inflation. Nevertheless, they have suffered the indignity of reduction of income at the very time that their services were most in demand.

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STATE SUPERVISION OF CHILDREN BORN OUT OF WEDLOCK[1]

THE history of American legislation on the subject of illegitimacy shows that the main consideration in the early legislation of the various states was the probability that an illegitimate child might become a public charge and the idea that the pecuniary interests of the local jurisdiction, where the child's mother resided, must be protected. This sentiment is reflected in the early laws which, for purposes of extending the benefits of local poor relief to an illegitimate child, fixed such child's legal residence as that of its mother.[1a] The early laws for the paternal support of illegitimate children also reflected this sentiment, were closely connected with the state's statute on poor relief, and largely intended to reimburse the particular locality for any aid extended to the mother or to the child. The states of Wisconsin and Minnesota furnish an illustrative contrast between the earlier and more recent laws for establishment of paternity and the paternal support of the illegitimate child.

In Wisconsin an early law[2] authorized the local authorities in charge of poor relief to apply to the justice of the peace for examination of the mother and apprehension of the father in cases where an illegitimate child was, or was "likely to become," a "public charge"; and empowered these authorities to make a support compromise and arrangement with the putative father. In 1865 the Supreme Court of Wisconsin[3] declared the "very obvious intent" of this law to be to compel the father to:

[1] This article is based on the laws in force January 1, 1933.

[1a] As, e.g., in the earlier laws of Georgia, Code 1882, secs. 763, 1693; Indiana, Rev. Stat. (1881), sec. 6070; Iowa, McClain's Annot. Stat. (1884), sec. 1352; Kansas, Comp. Laws (1885), sec. 3735; Massachusetts, Public Stat. (1882), c. 83, sec. 1; New Hampshire, Public Stat. (1891), c. 83, sec. 1; Pennsylvania, *Purdon's Digest*, III (1700–1903), 3566; Rhode Island, Public Stat. (1882), c. 70, sec. 1; Wisconsin, Rev. Stat. (1878), sec. 1500.

[2] Wisconsin, Rev. Stat. (1878), secs. 1540, 1542.

[3] *State* v. *Jager*, 19 Wisc. 235 (1865).

. . . . pay the mother such sums of money as she, with the approval of the town authorities, may agree to receive in full satisfaction for that purpose; and . . . . to indemnify and save the town harmless from all expense for the maintenance of such child, or any charges incurred by the town for the lying-in and support of the mother during her sickness.

This case has often been cited by the courts of other states in support of their similar decisions on these points. A similar early law of Minnesota[4] was also designed primarily for the protection of the financial interests of the particular locality. In 1882 the Supreme Court of Minnesota,[5] in interpreting this law, said that its purpose was "only to enforce upon a father the natural duty which he owes to his illegitimate offspring, and to prevent its becoming a public charge." In contrast, the recent laws of these two states are clearly designed for the welfare of the child. In 1929[6] Wisconsin transferred to the district attorneys of the state the powers formerly exercised by the poor-relief authorities; but, in cases where an illegitimate child is or is likely to become a public charge, or where the mother fails to prosecute the father, the district attorney is required to prosecute only when he determines such action "to be to the best interest of the child."[7] In this connection the framers of this law have stated that:

The new law makes the district attorney the representative of the child and the county, and gives him broad powers as well as exacting duties. The nature of the work calls for useful understanding of the exceedingly complicated problem of illegitimacy.[8]

The Wisconsin law also declares its purpose to be: "To effectuate the protection and welfare of the child involved in any proceedings hereunder."[9] The law of Minnesota, generally considered the most progressive legislative action on this subject, declares its primary purpose to be:

To safeguard the interests of illegitimate children and secure for them the nearest possible approximation to the care, support, and education that they

[4] Minnesota, Gen. Stat. (1878), c. 17, secs. 13, 15.

[5] *State* v. *Snure*, 29 Minn. 132, 12 N.W. 347 (1882).

[6] Laws of 1929, c. 439.

[7] Wisconsin, Stat. (1929), secs. 166.19–166.20, 166.22.

[8] *The Children's Code of Wisconsin*, p. 75. Milwaukee: Children's Code Committee, Wisconsin Conference of Social Work, 558 Jefferson Street, 1929.

[9] Wisconsin, Stat. (1929), sec. 166.23.

would be entitled to receive if born of lawful marriage, which purpose is hereby acknowledged and declared to be the duty of the State. . . . .[10]

It may also be of interest to note the modernization of poor-relief laws in some states; as, for example, in Massachusetts, which amends an earlier law by changing "pauper" to "person who has no legal settlement" and changing the "overseers of the poor" to "board of public welfare,"[11] and in New York, which under the recent public-welfare law,[12] applying to children "actually or apparently under the age of sixteen years," requires that the city and county commissioners of public welfare and the city public welfare officers:

a) Provide for a child born out of wedlock and his mother as for any other person in need of public relief and care.

b) Institute proceedings to establish paternity and secure the support and education of such child or make a compromise with the father of the child, in accordance with the provisions of law, relating to children born out of wedlock.

c) Hold the money received from such a compromise or pay it to the mother if she gives security for the support of the child.

d) Care for such child with his mother in her own home or in a family free or boarding home or institution and, when practicable, require the mother to contribute to the support of the child.[13]

In New York the cost of relief and care for children born out of wedlock is chargeable to the county public welfare district, but may be charged back by the board of supervisors to the local jurisdiction where the child resided.[14] It is to be noted that this law requires the state board or department of social welfare to "supervise the work of public-welfare officials and advise them in the performance of their official duties,"[15] thus, it would seem, enabling the state department indirectly to extend its supervision to illegitimate children.

It is also of interest to note that in 1892 the state of Massachusetts passed a law for the licensing of boarding homes for infants; and under this law the mother of an illegitimate child under two years of

[10] Minnesota, Mason's Stat. (1927), sec. 3272(*d*)

[11] Massachusetts, Laws of 1928, c. 155. [12] Laws of 1929, c. 565.

[13] New York, Cahill's Consol. Laws (1930), Public Welfare Law, secs. 103–6 (Laws of 1929, c. 565).

[14] New York, Cahill's Consol. Laws (1930), Public Welfare Law, secs. 25–26; 38–39; 40, as amended by Laws of 1931, c. 196; 41–46.

[15] *Ibid.*, sec. 138, subsec. 4.

age may, with the consent of the state board of charity (now department of public welfare), give up such child to it for adoption.[16] By another law this state also requires persons receiving any child under three years of age for board or for procuring adoption to ascertain whether such child is illegitimate and, if it appears to be so, to notify the department of such reception; and the department may inspect the place where such a child is boarded and remove it and provide for it if it is found abused or neglected.[17] The state of New Hampshire in 1911 similarly authorized the mother to surrender her illegitimate child under three years of age to the state board of charity for adoption.[18] The purpose of this type of legislation is apparently to provide, not for any extensive state supervision of this class of children, but merely for illegitimate children of tender years, whose mother is unable to support them, in conformity with the state's general system of relief for dependent and neglected children.

State supervision of children born out of wedlock is secured in several of the states to some extent by authorizing the state public-welfare authorities, under certain conditions, to prosecute the father for the purpose of establishing his paternity and compelling him to support his illegitimate child or make a compromise settlement on behalf of the mother and the child, or to receive and disburse on behalf of the mother and child monies paid by him pursuant to such settlement or to a court order—as, for example, in Minnesota, North Dakota, Ohio, Rhode Island, and Wisconsin.[19]

The laws in several of these states also provide that maternity hospitals must ascertain whether or not a child is of illegitimate birth and must promptly report such birth to the state public-welfare authority; and such laws manifestly furnish a valuable aid to the administrative and enforcing machinery of these states. This helpful feature is particularly well recognized in the laws of Minnesota and

[16] Massachusetts, Laws of 1892, c. 318, sec. 15 (Gen. Laws [1921], c. 119, secs. 2, 16).

[17] Massachusetts, Laws of 1889, c. 309, as amended by Laws of 1891, c. 194, and 1899, c. 276 (Gen. Laws [1921], c. 119, sec. 20).

[18] New Hampshire, Laws of 1911, c. 134, sec. 12 (Public Laws [1926], c. 113, sec. 21).

[19] Minnesota, Mason's Stat. (1927), secs. 3265, 3269, 3271–3272; North Dakota, Laws of 1923, c. 165, secs. 20, 21; Ohio, Page's Annot. Code (1926), sec. 12134; Rhode Island, Laws of 1926, c. 843, secs. 1, 11; Wisconsin, Stat. (1929), sec. 166.18.

Wisconsin. The latter state, for example, requires maternity hospitals to report the fact of illegitimacy to the state board of control within twenty-four hours after discovery of such fact;[20] and the framers of this law, as well as of the illegitimacy law, have stated that: "Considerable assistance to the district attorneys of the State (who prosecute illegitimacy proceedings) will be available from the juvenile department, State board of control, growing out of reports made by maternity hospitals. . . . ."[21]

With respect to state supervision of children born out of wedlock, the outstanding questions for specific consideration in a legislative program are those raised in 1920 by the Federal Children's Bureau, in co-operation with the Inter-City Conference on Illegitimacy.[22] They are:

a) Should the State assume supervision and protection over children born out of wedlock? By what means should such supervision be made effective?

b) Should State guardianship be exercised only over children who are neglected or dependent or in danger of becoming dependent, or should children born out of wedlock, by virtue of their birth status, become subject to the special guardianship of the State?

In February, 1920, two regional conferences, one in Chicago and the other in New York, were held under the auspices of the Federal Children's Bureau and the Inter-City Conference on Illegitimacy. The first resolution adopted at the New York conference reads in part as follows:

1. State supervision.

a) The State should assume supervision and protection over all children born out of wedlock. The manner in which this duty may best be performed will be subject to the conditions and circumstances peculiar to each State. With due allowance for local variance and need, this conference recommends the creation of State departments having the responsibility for child welfare, which should include among their duties the assisting of unmarried mothers and of children born out of wedlock.

b) State guardianship should be exercised only over those children who are neglected or dependent or in danger of becoming dependent. The State depart-

[20] Minnesota, Mason's Stat. (1927), secs. 4455–4556, 4573; Rhode Island, Laws of 1926, c. 834, sec. 8; Wisconsin, Stat. (1929), secs. 48.45 (2); 166.08.

[21] *The Children's Code*, p. 75.

[22] See *Standards of Legal Protection for Children Born Out of Wedlock*, p. 151 (a report of regional conferences held under the auspices of the U.S. Children's Bureau and the Inter-City Conference on Illegitimacy, U.S. Children's Bureau Publication No. 77 [Washington, 1921]).

ment, however, should assure itself that every child born out of wedlock receives proper care.[23]

In the resolutions of the Chicago conference the state's duties and responsibilities as to children born out of wedlock is also recognized.[24]

In 1917 Minnesota began an extensive legislative program for the welfare of children born out of wedlock, and the laws enacted with respect to state supervision of such children are in substantial accord with the pertinent resolutions adopted by the two conferences.[25] The sections of the Minnesota law requiring the state board to safeguard the interests of the child and empowering it to take legal steps to establish the child's paternity and to secure for him the nearest approximation to the care, support, and education to which birth in lawful marriage would entitle him, read as follows:

> It shall be the duty of the board of control when notified of a woman who is delivered of an illegitimate child, or pregnant with child likely to be illegitimate when born, to take care that the interests of the child are safeguarded, that appropriate steps are taken to establish his paternity, and that there is secured for him the nearest possible approximation to the care, support and education that he would be entitled to if born of lawful marriage. For the better accomplishment of these purposes the board may initiate such legal or other action as is deemed necessary; may make such provision for the care, maintenance and education of the child as the best interests of the child may from time to time require, and may offer its aid and protection in such ways as are found wise and expedient to the unmarried woman approaching motherhood.
>
> It shall be the duty of the board to promote the enforcement of all laws for the protection of defective, illegitimate, dependent, neglected and delinquent children, to co-operate to this end with juvenile courts and all reputable child-helping and child-placing agencies of a public or private character, and to take the initiative in all matters involving the interests of such children where adequate provision therefor has not already been made. The board shall have authority to appoint and fix the salaries of a chief executive officer and such assistants as shall be deemed necessary to carry out the purposes of this act.[26]

The legislative intent of the Minnesota illegitimacy support statute, as declared by the legislature, has been noted in a foregoing paragraph (see p. 255).

Since the time when the conferences were held, several states have

[23] See *ibid.*, p. 17.

[24] *Ibid.*, pp. 14–16.

[25] For the text of the Minnesota laws, see *Analysis and Tabular Summary of State Laws Relating to Illegitimacy in the United States, 1929* (U.S. Children's Bureau Chart No. 16 [Washington, 1929]), pp. 38–42.

[26] Minnesota, Mason's Stat. (1927), secs. 4455, 4456.

to some extent followed Minnesota and provided for closer state supervision of the welfare of children born out of wedlock. The state of North Dakota, in 1923, passed a law directing the state board of administration:

> To secure the enforcement of laws relating to the establishment of the paternity of illegitimate children and the fulfillment of the maternal and paternal obligation toward such children; to assist the unmarried pregnant woman and unmarried mother in such ways as will protect the health, well-being and general interests of her child. . . . .
>
> To secure the enforcement of all laws for the protection of neglected, dependent, delinquent, illegitimate and defective children, and those in need of the special care and guardianship of the State; to take the initiative in protecting and conserving the rights and interests of such children.[27]

In 1926 the state of Rhode Island enacted a law, creating a children's bureau in the state public welfare commission, and providing as follows:

> It shall also be the duty of said commission to promote the enforcement of all laws for the protection of defective, dependent, neglected, wayward and delinquent children and children born out of wedlock, to co-operate to this end with juvenile and other courts and all reputable child-helping and child-placing agencies of a public or private character, and to take the initiative in all matters involving the interests of such children where adequate legal provision therefor has not already been made. For the purpose of rendering effective the provisions of this clause, the commission shall establish a children's bureau, may assign to such bureau such duties as in the discretion of the commission may seem advisable, and shall appoint a chief executive officer to be known as the director of the children's bureau.[28]

In 1929 Wisconsin passed a law in regard to duties of the state board of control reading as follows:

> The board shall promote the enforcement of all laws for the protection of mentally defective, illegitimate, dependent, neglected and delinquent children, except laws whose administration is expressly vested in some other State department. To this end it shall co-operate with juvenile courts and all licensed child welfare agencies and institutions of a public or private character, and shall take the initiative in all matters involving the interests of such children where adequate provision therefor has not already been made or is not likely to be made.
>
> When notified of the birth or expected birth of an illegitimate child, the board shall, through advice and assistance of the mother, or, if necessary, independently of the mother, see to it that the interests of such child are safeguarded, that

[27] North Dakota, Laws of 1923, c. 150, sec. 1, subsecs. (*g*), (*m*).

[28] Rhode Island, Gen. Laws (1923), sec. 6478, as re-enacted by Laws of 1926, c. 862, sec. 1 (Clause 2).

appropriate steps are taken to attempt to establish the paternity and that there is secured for him the nearest possible approximation to the care, support and education that he would be entitled to if born of lawful wedlock.

The board when so designated by the court having jurisdiction, shall act as trustee to receive and administer funds directed to be paid for the support of any child in any proceeding under chapter 166.[29]

The Wisconsin law, which constitutes part of the children's code enacted in 1929, includes the state board of control among those bodies which the judge may designate as trustee to whom payment for the future support of a child shall be made pursuant to the judgment or agreement in a proceeding for establishing the paternity of an illegitimate child and compelling the father to support such child.[30]

It is of interest to note that the legislature of Colorado, though it has not yet provided a modern statute dealing with support of illegitimate children, in 1925 passed a law for the licensing of maternity hospitals by the state board of health, in which law it followed the example of Minnesota and expressed its sentiment as to the child born out of wedlock in the following language:

This chapter shall be liberally construed with a view to effecting its purpose which is primarily to safeguard the interests of illegitimate children, and those of undetermined legitimacy born in maternity hospitals as herein defined, and secure for them the nearest possible approximation to the care, support and education that they would be entitled to receive if born of lawful marriage, which purpose is hereby acknowledged and declared to be the duty of the State, and also to secure from the fathers, when known, of such children, the payment of moneys necessarily expended in connection with their birth.[31]

At the present time the state of Colorado lacks power in its administration of public welfare and, therefore, this statutory declaration in favor of the child born out of wedlock is ineffective.

A progressive tendency in the direction of closer state supervision also appears in the statutes of Alabama and Virginia. An Alabama law passed in 1923, for the licensing of maternity hospitals, provides in part as follows:

Any child born in any maternity hospital who is illegitimate and whose father is unknown and whose mother is unable to care for such child, or any child who for any reason will be left destitute of support, shall, through proper court pro-

[29] Wisconsin, Stat. (1929), secs. 46.03(11)–46.03(13).

[30] *Ibid.*, sec. 166.18.

[31] Colorado, Laws of 1925, c. 133, sec. 7.

ceedings, be committed to the child welfare department, or to any agency licensed by said department to engage in the business of child-placing.[32]

A Virginia law of 1922 has the same wording, commitment being to the state board of public welfare.[33] The power to license maternity hospitals is given by these laws to the state child-welfare department in Alabama and to the state board of public welfare in Virginia. In these two states the laws also authorize the state welfare authorities to receive and assume the guardianship of dependent, neglected, and delinquent children;[34] and in view of the maternity hospital law, these states have, in effect, more definite responsibility over a limited class of children born out of wedlock than merely their supervision.

The American legislation for the welfare of children born out of wedlock does not yet include any system of official guardianship designed to subject all such children, by reason of their birth status, to the special guardianship of the state. The legislative action in some of the states indicates a step toward more definite state guardianship over children born out of wedlock who are prospectively or actually neglected or dependent. The laws of the states herein discussed, and also of those states which have substantially adopted the provisions of the so-called "Uniform Illegitimacy Act" clearly reflect an intent to hold paramount the welfare of the child born out of wedlock; to recognize the responsibility of the state for the protection of the rights and best interests of such child; and to consider it the duty of the state to afford better protection to the unmarried mother and to bring to justice the father of her child.[35]

In formulating any legislative plan for the better care and protection of such children in any particular state, a study of the experience of Minnesota in this field during the decade just past will prove most helpful.

[32] Alabama, Code (1923), secs. 139, 142.

[33] Virginia, Ann. Code (1924), Michie, sec. 1930*a*.

[34] Alabama, Code (1923), sec. 104 as amended by Laws of 1931, No. 316, p. 366; Virginia, Ann. Code (1924), Michie, sec. 1902*k*.

[35] Iowa, Code (1927), secs. 12667–1 to 12667–*a*54; Nevada, Comp. Laws (1929), secs. 3405–3443; New Mexico, Ann. Code (1929), secs. 22–201–22–227; New York, Cahill's Consol. Laws (1930), Domestic Relations Law, secs. 119–21, sec. 122, as amended by Laws of 1931, c. 219, secs. 123–39; North Dakota, Laws of 1923, c. 165; South Dakota, Comp. Laws (1929), secs. 2990–A to 2990–Z12; Wyoming, Laws of 1929, c. 45.

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COMPULSORY HOSPITALIZATION OF JUVENILE COURT WARDS

WHEN a child is placed by juvenile court decree in an institution or with an association, the superintendent of the institution or association is made guardian of the person of the child. Suppose, while this guardian and ward relationship exists, a surgical operation upon the child becomes necessary. If the parents can be found and they will consent, no question arises. But suppose, further, the parents cannot be found; or they for any reason wilfully refuse the consent: can the guardian give his consent to have the operation performed?

This is a problem facing every child-placing agency at one time or another. The question has not been decided in any state on the facts stated. If the guardian consents to an operation and has no authority to do so, and the child dies or sustains injuries as a result of the operation, the guardian might be held civilly liable in damages. It is equally true, if the guardian is in duty bound to consent, but fails, he is liable in damages for his omission, as well as to criminal prosecution.

Unless there is some provision in the Juvenile Court Act permitting such consent to be given for an operation, the guardian cannot give it. For the legislature might, when it enacted the law, have conferred the power expressly upon the guardian, and left the constitutionality of the provision to the courts. But the power cannot be read into the law by the courts.

There is no express provision in the Illinois Juvenile Court Act authorizing the guardian to consent to an operation. The nearest approach is found in section 9*b* which provides:

> The court may when the health or condition of any child found to be dependent, neglected or delinquent requires it, order the guardian to cause such child to be placed in a public hospital or institution for treatment or special care, or in a private hospital or institution which will receive it for a like purpose, without charge to the public authorities.

This section requires the guardian to apply to the court, not to be vested with the right to consent to an operation, but for authoriza-

tion to place the child in a hospital for treatment or special care. It does not authorize the guardian to consent to an operation, but only authorizes him to place the child. Presumably the scope of the power conferred upon the guardian depends upon the wording of the order entered by the court.

"When the health or condition of any child . . . . requires it," is a question which can only be determined as a result of expert medical testimony, and which must be decided in court upon the basis of such evidence.

The section limits the hospitalization to "treatment" or "special care." Ordinarily, the removal of one's tonsils cannot be considered "treatment" nor the amputation of a leg, "special care." We must look to the health or physical condition of the child at the time of the hearing to determine the nature of the treatment or special care to be administered in each case.

It sometimes happens that a guardian cannot obtain authorization from the court because the delay involved in such a court hearing might jeopardize the life of his ward. May the guardian under such circumstances consent to necessary hospitalization without first obtaining authorization from the court? Section 8 of the Act bears on this point:

> Where a child is committed to an institution or association, the court shall . . . . order such guardian to place such child in such institution or with such association whereof he is such officer and to hold such child, care for, train and educate it subject to the rules and laws that may be in force from time to time governing such institution or association.

At common law, it was the duty of the parents to care for their children. Such duty exists today. The parents were then and are still chargeable for a failure to provide necessary medical care and attention; and if a child were suffering from disease and the parents knew it, or as ordinary individuals of average intelligence they should have known it, and they allowed the child to languish without necessary care, they would be liable to prosecution for their neglect.

After a decree is entered in the juvenile court, the parents are deprived of the right to custody of the child while the decree continues in effect. The custody is transferred to the guardian, who must *care for the child* under the law and the terms of the decree.

The parents have a legal right to visit the child at reasonable times, but the child is to be cared for, trained, and educated by the guardian.

But a guardian appointed under the Act does not succeed to all the rights and duties of the parents. The Act empowers the guardian to place his ward; and by the same section, but upon a different showing in court, allows the guardian, in some instances, to consent to the adoption of the child without further notice to the parents. But if the guardian is appointed to place the child only, he cannot consent to its adoption, under the rule *expressio unius est exclusio alterius*. That power must be given by the terms of the decree.

There are other powers which the parents possess over their children which the guardian does not possess. The guardian cannot consent to the marriage of his ward because that is not part of the care, training, and education the child should be expected to receive. Nor to send the child out of the country, nor to hold it at a place different from the institution mentioned in the decree.

It is apparent, then, that the juvenile court guardian has limited powers over his ward and that he does not succeed to all the rights which the parent in legal possession of his own child possessed.

It is also clear from a reading of the statute that the law does not give express power to the guardian to consent to necessary hospitalization. The right cannot be exercised by the guardian unless its exercise is necessarily implied from the fact that he must *care* for his ward. Does the word *care* include within its meaning medical and surgical treatment?

Of course, it can be argued that the care the Act intended was ordinary care and not unforseen medical or surgical care; that it means food and clothes and shelter. But the answer to this is, more important than all these is the care of the body and the mind and the health, to the end that the child may enjoy these.

Indeed, the Illinois Statute provides,[1] "It shall be unlawful for any person having the care or custody of any child, wilfully to cause or permit the life of such child to be endangered, or the health of such child to be injured, or wilfully cause or permit such child to be placed in such a situation that its life or health may be endangered."

[1] L. 1877, p. 90, sec. 85, chap. 38, Cah. R.S. Ill. 1931.

In an early New York case,[2] commenced under a similar statute, the head of a benevolent institution, "The Shepherd's Fold," was indicted on two counts, the second of which charged him with wilfully neglecting to provide Louis Kulkusky with, and to give him, "proper and sufficient medicine and medical attendance when the child was sick, diseased, and ailing and requiring the same, and did wilfully cause and permit his health to be injured." He was found guilty and appealed. The opinion of Chief Justice Foger on this point is interesting and therefore is quoted at length:

> The learned recorder told the jury that if the plaintiff in error took the child into his care and custody, the law imposed upon him the duty of giving such food, clothing, care and medical attendance as was reasonably necessary and proper to keep the life of the child from danger, and his health from injury; and that if he intentionally neglected to do it, and life was thereby endangered or health injured, he was guilty under the first two counts of the indictment. It is made a point, that this instruction is erroneous, in that it did not state that there was no duty to give food without the means of procuring food. We do not think that in this case there was need of the addition to the instruction that is insisted upon. There is a difference between a natural duty, or a duty imposed by operation of law, and the duty assumed voluntarily and that may be put off voluntarily. A father who has the care and custody of a child by law of nature, and whose duty to provide for it is correlative may perhaps say in excuse of nonperformance, when indicted at common law for neglect, that he had not the means to get food for the child or himself. Or a relative, who takes a child bereft of parents, into his care and custody, because of the ties of blood, may perhaps, in such case, make the same excuse. In *Hogan's Case* (2 Den. Crim. Cas. 277), it is recognized, that had the charge been the common-law offense of neglecting to provide for a child so as to injure its health, there must have been averment and proof of means of support. But one, who with no natural or legal duty, voluntarily takes, nay, seeks for the care and custody of a child, must either do his duty to it in giving it food, or he must yield to others, or to the public, the care and the opportunity to feed, or he becomes amenable to this statute, as an ingredient of the offense created. Though he may not have the money wherewithal to buy bread and meat for it, he has the right to seek charity of the kindhearted, or if he will not do that, to ask for the public alms that the law of the state provides for all its poor. Having undertaken to care for the life and health of the child, he cannot excuse himself therefrom by the plea that he had not counted the cost, that he made an improvident promise. He must bestir himself to get means, or he must give up the care that he is unable to keep as it should be kept, and which he is not bound to keep to the harm of the subject. The case of *Regina* v. *Chandler* (Dearsley's Crim. Cas. 453) does not conflict

[2] *Cowley* vs. *The People of the State of New York*, 83 N.Y. 464 (1881).

with this view. There the indictment was for the common-law offense, and the allegation was that the prisoner was able and had means to maintain her child, but there was no proof to sustain the allegation. In *Regina* v. *Downes* (1 Q.B. Div. 25), though one of the specific questions put to the jury and found affirmatively, included the having of means by the prisoner, yet the judgment put no stress upon that fact, nor does the statute upon which the indictment was based, require it. It has been said by Martin, B., and Erle, J., in *Regina* v. *Mabbett* (5 Cox's Crim. Cas. 339) that it is the bounden duty of all persons having children, when they themselves cannot support them, to endeavor to obtain the means of getting them support; and that if they will wilfully abstain from going to the Union (i.e., the almshouse), where they have by law a right to support, and the children die, they are criminally responsible. There was a case of a mother indicted for manslaughter of a child, by not giving it enough food. Besides, there was no pretense in the case in hand, that there was a want of means, or of proper provision in the household. On the contrary, the testimony tended strongly to show that there was in the house the material for giving to him just that which the medical testimony showed he should have had. The instruction, the lack of which is complained of, would have been pointless, because immaterial. The court did not err in the instruction as given. What we have said covers the exception to that part of the charge, in which the learned recorder told the jury that if the plaintiff in error did not have the means to provide what was needed for the child, it was his duty to apply to the public authorities for public aid. The institution of which the plaintiff in error was an officer, and which was in great measure set on foot by him, was professedly a benevolent and charitable one. Its avowed purpose was to feed, clothe, and rear the needy, in the main gratuitously. It does not answer a charge, that having assumed to do this, it was not done and was wilfully neglected, to say that "the plaintiff was not obliged to resort to mendicancy." He was bound to do that which he undertook to do; and if the charitable means at his disposal failed, it was not mendicancy to go to the ordained public supplies, to eke out his lack.

Suppose the guardian receives a pregnant girl. Her condition requires special care, and, upon a showing in court, an order might be made permitting him to hospitalize her. If she were placed in a hospital for this special care, and an operation became necessary, can we say that the child may have "special care," but it must fall short of the means necessary to save her life? And if we grant that such a right exists because it is embraced in the idea of *caring for the child*, what are the limitations of the right?

An emergency arises. Everyone knows that the spirit of youth and adventure carries children into the paths of danger every day. An arm is broken. A leg is fractured. If a stranger to the child

undertook to care for it, as a volunteer, under such circumstances, and failed to carry out the obligation wilfully, he would be liable. If the child, then, through no fault of its own but through misfortune or the omissions of irresponsible parenthood, is left in this deplorable condition, can we say that the state, acting as the guardian of the child in the place of its parents, is doing its duty toward the child, if such care were lacking?

The conclusion is forced upon us that the word "care" as used in the Juvenile Court Act imposes upon the guardian of the child the duty of giving medical and surgical care to the child whenever these become necessary.

A similarly interesting question is, Is evidence of want of medical or surgical care proof of dependency or neglect under the Juvenile Court Act? A probation officer received a complaint that a child was dependent and neglected. Upon investigation she discovered the parents of the child were of average means; they had a clean, comfortable home and a good reputation in the neighborhood. The child in question, however, was suffering from a physical ailment. The parents did not believe in medicine and surgery; and while they wanted the child to recover, and were willing to do anything for it which did no violation to their religious beliefs, they would not take the child to a doctor for treatment. A petition was filed in the juvenile court alleging that the child was, in substance, dependent and neglected. The parents appeared in court with an attorney who filed a demurrer to the petition because of its insufficiency, and particularly because the child was not neglected merely because the parents would not yield their religious beliefs and have the child undergo medical treatment.

The Illinois Supreme Court had already pointed out that a child is not dependent and neglected where a mere difference of opinion exists as to the best course to pursue in rearing a child. Expert testimony was not available to prove the physical condition of the child. The demurrer was sustained and the case dismissed.

But a different situation entirely would have been presented had the court found the child dependent and neglected on competent evidence showing that the parents were guilty of the common-law offense of neglect, and included in its order finding the child to be

dependent, a further finding that the child needed special care and treatment, and directed the guardian to place the child in a hospital for such care and treatment.

Perhaps it should be pointed out at this point that religious belief is not a good defense for failure to provide a child with medical care. In *People* v. *Pierson*,[3] the defendant was indicted for

> wilfully, maliciously, and unlawfully omitting without lawful excuse, to perform a duty imposed upon him by law, to furnish medical attendance for his said female minor child, under the age of two years, the said minor being then and there ill and suffering from catarrhal pneumonia, and he, the said J. Luther Pierson, then and there wilfully, maliciously, and unlawfully neglecting and refusing to allow said minor to be attended and prescribed for by a regularly licensed and practicing physician and surgeon, contrary to the form of the statute in such case made and provided.

The defendant pleaded that he believed in Divine Healing which could be accomplished by prayer.

This question of freedom of worship was answered in the interesting opinion of Justice Haight, which follows:

> The remaining question which we deem it necessary to consider is the claim that the provisions of the code are violative of the provisions of the constitution, article 1, section 3, which provides, that "The free exercise and enjoyment of religious profession and worship, without discrimination or preference, shall forever be allowed in this state to all mankind; and no person shall be rendered incompetent to be a witness on account of his opinions on matters of religious belief; but the liberty of conscience hereby secured shall not be so construed as to excuse acts of licentiousness, or justify practices inconsistent with the peace or safety of this state." The peace and safety of the state involves the protection of the lives and health of its children as well as the obedience to its laws. Full and free enjoyment of religious profession and worship is guaranteed, but acts which are not worship are not. A person cannot, under the guise of religious belief, practice polygamy and still be protected from our statutes constituting the crime of polygamy. He cannot, under the belief or profession of belief that he should be relieved from the care of children, be excused from punishment for slaying those who have been born to him. Children when born into the world are utterly helpless, having neither the power to care for, protect or maintain themselves. They are exposed to all the ills to which the flesh is heir, and require careful nursing, and at times when danger is present, the help of an experienced physician. But the law of nature, as well as the common law, devolves upon the parents the duty of caring for their young in sickness and in health and his doing whatever may be necessary for their care, maintenance, and preserva-

[3] 176 N.Y. 201 (1903).

tion, including medical attendance if necessary, and an omission to do this is a public wrong, which the state, under its police powers, may prevent. The legislature is the sovereign power of the state. It may enact laws for the maintenance of order by prescribing a punishment for those who transgress. While it has no power to deprive persons of life, liberty, or property without due process of law, it may, in case of the commission of acts which are public wrongs or which are destructive of private rights, specify that for which punishment shall be death, imprisonment or forfeiture of property.

We are aware that there are people who believe that the Divine Power may be invoked to heal the sick, and that faith is all that is required. There are others who believe that the Creator has supplied the earth, nature's storehouse, with everything that man may want for his support and maintenance, including the restoration and preservation of his health, and that he is left to work out his own salvation, under fixed natural laws. There are still others who believe that Christianity and science go hand in hand, both proceeding from the Creator; that science is but the agent of Almighty through which He accomplishes results, and that both science and Divine power may be invoked together to restore diseased and suffering humanity. But, sitting as a court of law for the purpose of construing and determining the meaning of statutes, we have nothing to do with these variants in religious beliefs, and have no power to determine which is correct. We place no limitations upon the power of the mind over body, the power of faith to dispel disease, or the power of the Supreme Being to heal the sick. We merely declare the law as given to us by the legislature. We have considered the legal propositions raised by the record, and have found no error on the part of the learned court that called for a reversal.

One more point should be raised before ending this discussion. It seems an anomalous situation that the guardian must obtain the permission of the court to place the child in a hospital for special care and treatment, when he may consent to hospitalization without such authority from the court, for more than special care and treatment. But the section under consideration does not provide that the guardian *must* obtain the consent of the court *after* guardianship is accepted. It provides that the court *may* order the guardian to place the child in a hospital *when the court finds the health or condition of any child . . . . requires it.* In other words, when the facts given in court disclose a case of common-law neglect, the court, instead of punishing the parents for their omission, takes the custody of the child from its parents and orders the child placed for special care. This is in consonance with the highly remedial spirit of the Act which contemplates protecting the child by terminating the neglect and

treating the child, rather than suffering the neglect to continue until the child's health has been irreparably impaired, and then prosecuting the parents for their omission.

The question is a difficult one and should be handled with great caution. An order of court should be obtained whenever possible as an authorization, after efforts on the part of the guardian to obtain the consent of the parents for the necessary care and treatment have failed. But, in an emergency, the guardian would be acting properly in consenting to special care and treatment for his ward which involved a surgical operation, without such consent of the parents or the authorization of the court, holding himself civilly liable only for an abuse of his discretion in caring for his ward.

RALPH J. RILEY

JUVENILE COURT OF COOK COUNTY,
CHICAGO, ILLINOIS

SOURCE MATERIALS

MRS. SIDNEY WEBB BEFORE THE ROYAL COMMISSION ON UNEMPLOYMENT INSURANCE[1]

THE following memorandum was submitted by Mrs. Webb to the royal commission which was appointed in 1930 during the days of the Labor Government, but the final report has only recently been published. Extracts from Mrs. Webb's oral testimony before the Commission are also published, following the memorandum, as of great interest to American readers.

State Unemployment Insurance

The establishment in 1911 of State Unemployment Insurance was a daring experiment, not asked for by or on behalf of the wage-earning class; and not recommended by the Poor Law Commission in 1909. The Majority Report of that Commission saw no possibility of any scheme of universal or even general insurance; and, least of all, of any Government administration. The most it could bring itself to do was to recommend the appointment of a special committee to explore the practicability of giving some Government support to insurance *of their own members* by Trade Unions and Trade Friendly Societies (the so-called Ghent System). The Minority Report whilst definitely recommending Government support of Trade Union Unemployment Benefit, with a view to its wider extension, expatiated upon the inevitable evils of any national system of Unemployment Insurance, (1) as inherently incapable of providing the necessary maintenance for keeping the unemployed in health and efficiency; (2) as giving *partial maintenance without occupation*, and thus, in many cases, positively deteriorating capacity and character; (3) and as enabling a certain proportion of men to contrive altogether to escape wage-earning employment, so as to live in idleness.

We cannot see [summed up the Report] that the universal and compulsory union of all the employers and all the workmen in an Insurance Fund is, even with Government aid, either practicable or desirable. . . . . No such scheme could possibly be worked

[1] From *Minutes of Evidence Taken before the Gt. Britain Royal Commission on Unemployment Insurance*, fortieth day, Thursday, November 12, 1931. A few paragraphs have necessarily been omitted from both memorandum and testimony. This memorandum and testimony are published because Mrs. Sidney Webb's opinion on this subject is very interesting to American readers.

without a national organisation in the nature of a Labour Exchange *to which all available vacancies were reported*. . . . . In short, resort to the National Labour Exchange would have to be made legally compulsory, both upon all employers having vacancies to fill, and upon all workers claiming Unemployment Benefit.

It must be said, in fairness to the authors of the unemployment part of the Insurance Act of 1911, that their experiment was so carefully limited and safeguarded that it did not, in its brief operation prior to the quite exceptional period of the war, manifest the serious evils that the Minority Report apprehended from a National State Insurance Fund. I remember being agreeably surprised to find that the dangers I had feared were apparently being avoided. But the Unemployment Insurance of 1911–20 was (*a*) confined to seven selected industries in most of which Trade Union organisation (of which the fullest possible use was made) was exceptionally effective, and Trade Union "Out of Work Pay" already widely practised; (*b*) limited in its Unemployment Benefit to 7*s*. per week, being only about one-fifth to one-third of the then customary wage-rates; and (*c*) restricted to 15 weeks in any twelve months, and further restricted by an over-riding maximum of one week's benefit for every five weekly contributions paid. In fact, the scheme did not profess to be a means of providing "maintenance" for the unemployed, but was to be regarded (as the Ministry of Labour has always held) merely as "an addition to the savings of thrift, for use between jobs, rather than as a substitute for wages."

It can now be seen that it was just the fact that the Insurance Act of 1911 was not accompanied by a scheme of providing for the unemployed outside insurance, whether maintenance or occupation, that made it a grave public danger. For it was soon discovered that public opinion would not tolerate the relegation of the *bona-fide* unemployed person, thrown out of work through no fault of his own, to the Poor Law. When the strain of exceptional unemployment came in 1920, the Governments of the ensuing decade found it easier to relax in succession, all the limitations and safeguards of the Act of 1911, than to think out any sound or effective scheme of treatment of the unemployed. I make no distinction here between political parties. Indeed, it so happens that the three great changes which have wrecked the Unemployment Insurance Scheme of 1911—regarded as a scheme of insurance—were made under the Premiership of Mr. Lloyd George, Mr. Baldwin and Mr. Ramsay MacDonald, respectively. I agree with Sir William Beveridge that

the first step was taken when, in 1920, the system applied in 1911 to a few selected trades was applied, practically without change, to all trades, no use being made of the power to exclude from the general scheme and deal by special schemes with casual occupations like dock labour, or short time industries like cotton and coal. The second and decisive step was taken when, by the Act of 1927, benefit was made unlimited in duration, and, for a "transitional period," nearly independent of any payment of contributions. The transitional provisions were extended by an Act of 1929. The Act of 1930 has simply carried to its final stage the process of merging insurance in indiscriminate relief of the able-bodied, by a further extension of transitional provisions, and by

abolishing the psychological requirement that the applicant should be genuinely seeking employment.

I cannot help thinking that this experience would be repeated in some future years of strain, if we now content ourselves with re-establishing a financially sound Unemployment Insurance Scheme, *without also providing in advance for the flood to be expected in the next "economic blizzard."*

The Lack of an "Actuarial Basis"

Before discussing the advantages and disadvantages of State Unemployment Insurance, as revealed in the experience of the past twenty years, I wish to put aside all criticism from the standpoint of actuarial science. In my view, we may summarily dismiss the suggestion that the scheme of 1911–20 was actuarially sound, and that the scheme now in force is actuarially unsound. Personally, I doubt whether the unemployment arising out of the modern capitalist system is an "insurable risk." My doubt has been increased by the successive falsifications of every actuarial calculation that I have seen. But waiving this general criticism, I submit that neither the original scheme of 1911 nor the later development of it is "insurance" in the sense in which the term is used by the actuary of a life assurance company. Both schemes, like all others under Government administration, are based on a Government subvention. Any Government subvention knocks the bottom out of any claim to an actuarial basis. The difference between a Government subsidy equal to one-third of the benefits, and one of nine-tenths or between one solemnly "fixed" for all time by Treasury Order, or by Act of Parliament (a "scrap of paper!"), and one adjusted annually so as to keep the scheme always out of debt, is not one of actuarial principle, but one—important enough—of financial policy and administrative convenience.

In the second place, the intervention of the third party in the "insurance"—that is to say, the Government, free to change, at its will, the rates of contribution and benefits, and even the conditions of eligibility to benefit—takes the matter at once quite outside the category of an insurance policy, as the term has always hitherto been understood. In this case the "insurance" which the "insured person" thinks he has entered into, has been changed in material conditions a score of times in the course of twelve years, without even seeking the consent of the individual wage-earner or of the individual employer; and is apparently now to be once again most substantially altered in face of the violent opposition of the beneficiaries. For some years, indeed, eligibility for benefit was, over a large part of the field, made dependent on the Minister's arbitrary decision in each case. Under these circumstances the use of the terms "insurance" and "actuarial basis" seems almost a bad joke!

The only inference that I can draw from the tortuous career of "Unemployment Insurance" is not the importance of "an actuarial basis"—which I think is fallacious—but the great desirability of a continuously "balanced budget," even if this can be secured, in our utter inability to prophesy what will be the

volume of employment a year hence, only by annually varying Estimates and Supplementary Estimates.

The Advantages of an Insurance Scheme

Let us appreciate the advantages (as contrasted with any other form of provision for the unemployed) of a scheme of Unemployment "Insurance," in so far as such a scheme can be properly made applicable to the wage-earners in capitalist industry.

It is an advantage that the benefits, whether large or small, become due as of right, to which the insured person is legally entitled in return for the contributions exacted from him. This enables him to claim and to enjoy the benefits without any consciousness of dependence on other people; and therefore without lowering of self-respect, and the consequent adverse effect on character and conduct. Experience seems to prove that this advantage is not dependent on the worker's contribution being equivalent to the whole cost of the benefit. Even if, as at present designed, the worker's direct contribution is only equivalent to one-third of the cost of the average benefit—although perhaps his indirect contribution in the shape of the adverse effect on the wage-rate of the employer's contribution ought to be reckoned in addition—the psychological effect of this substantial contribution appears to be great and salutary.

It is a further advantage that under an insurance scheme the benefits can, however complicated may be the necessary regulations, safely be made, not only fixed, but also uniform, either for all the insured or for all the members of each class or category (e.g., married or single, childless or with dependent children, etc.), whatever their income or affluence. The great superiority of an insurance scheme over every alternative money provision is that no enquiry into means is involved. It is not merely that all the expense and friction of such an inquisition is avoided. Even more advantageous is that there is none of the calamitous discouragement of saving involved in disqualification because the claimant has means, as, for instance, if he has bought his house through a Building Society, or accumulated balances in the Co-operative Society, or Savings Bank, or acquired National Savings Certificates. He need not fear to undertake, in his enforced leisure, the most intensive cultivation of his garden-plot or small allotment, whereby the better to feed his family. He may take into his house for economy an adult son or daughter, or his grandchildren, or even a lodger. Any sensible regulations allow him, without disqualification for Benefit, to continue or to undertake any bona-fide "subsidiary occupation," commonly pursued after working hours and not exceeding the prescribed limit of three shillings and sixpence per day (such as playing in an evening orchestra). All this encouragement of thrift and saving, of work and enterprise, easily permissible under an insurance scheme, gives it an immense superiority over any scheme (such as Poor Relief) involving a "means test." Unemployment Benefit, uniform for all persons within a given category, leaves unchanged the inherent advantage that the thrifty and industrious and resourceful person enjoys over the spendthrift, in-

dolent and apathetic person. It is in fact exactly the addition of equals to unequals that leaves this salutary inequality unchanged.

It is an advantage, at least in the eyes of the claimant of Benefit, that there is the minimum of interference with his personal freedom. Subject to regular signature at the Employment Exchange, and to the obligation of accepting whatever suitable employment he can find, or is offered to him, he may use his enforced leisure as he chooses. Regarded from the standpoint of the community, there are, it is plain, very definite limits within which alone this freedom can be considered advantageous. But what is not always remembered is that this condition of personal freedom is, to the Government administration, a great economy in time, trouble and expense. No method of provision for the Unemployed is anything like so cheap per head as the distribution of weekly sums of money; and even with all the necessary regulations, and the heavy cost of the Employment Exchanges, it is doubtful whether the Government would find any other system than insurance actually cheaper *per head*.

The Disadvantages of an Insurance Scheme

It may seem that, with all these advantages, coupled with its undoubted popularity, an insurance scheme, sufficiently extended, affords the best method of providing for the Unemployed. I do not take that view. The advantages of Unemployment Insurance, when closely considered, are found to be *absolutely dependent on the scheme being strictly limited in almost all directions*. If we stretch it beyond those limits, the disadvantages become so great as to outweigh the advantages.

This necessity for limits to any insurance scheme does not relate simply to the number of claimants or to the width of the classes or categories into which they may be grouped, nor yet to the length of time during which Benefit may be drawn. By far the most important of the necessary limits is that which must be set to the amount of the weekly money payment. In fact, the fundamental drawback to all Unemployment Insurance is that its weekly "Out of Work Pay" cannot—at least in the present organisation of Society—safely be made *large enough to maintain either the unemployed men, or their families, in health*. So far as an actual majority of the wage-earners are concerned, their ordinary earnings when in employment (allowance made for all the inevitable deductions from the nominal rates per week) are certainly not more than sufficient for healthy family maintenance. Nearly half the total are labourers, whose earnings are normally considered below those of the skilled mechanics. No one imagines that the Insurance Fund could give higher pay for Unemployment than the wages currently paid for work, even if these wages involve, to the workers and their families, preventable sickness and premature exhaustion. What is more important is that all experience shows that it is fatal to offer, as "Out of Work Pay," anything like the same sum as the workman would earn if he were employed. The nearer the Unemployment Benefit approaches the amount of the

customary earnings in employment, the greater becomes the insidious temptation to "slack." It is doubtless true that the great majority of workmen, for the greater part of the time, much prefer to be at work than to be unoccupied and idle. But most men in their weaker moments—and probably all men at some time— succumb to the temptation to be indolent. It is so fatally easy not to strive for a situation, not to be punctual and regular at work, not to continue at work when fatigue begins to be felt, not to incur the disagreeable conditions accompanying nearly all jobs, that if anything like the same sum as the employer offers could be got merely by attending daily to sign at the Employment Exchange, there would certainly be not only a ruinous increase in "voluntary Unemployment" but also such a progressive deterioration of character as would be fatal to the community.

My conclusion is that although an Unemployment Insurance Scheme is not, and cannot possibly be made, a practicable or even a desirable method of providing for the Unemployed as such, yet for a strictly limited section of the Unemployed for a strictly limited period, its social advantages outweigh its inherent evils. Provided that satisfactory provision is simultaneously made for all those who pass out of Insurance or are excluded from there, it is accordingly well worth while to reorganise and re-establish the present Unemployment Insurance Scheme on the best possible basis.

The Necessary Limits for an Insurance Scheme

We have to seek the distinction between an Unemployment Insurance Scheme which is socially dangerous, and one so limited as to be beneficial, not in any question of aggregate money cost to the nation, but in the effect upon the character, health and industrial efficiency of the individuals concerned. Limits involve drawing lines between one set of unemployed workers and another set; and any such lines must be arbitrary, and open to the objection that the difference of treatment inevitably implies injustice to individuals. It is therefore imperative, even if merely as a condition of getting reform adopted, that any restriction of the scope of the present Unemployment Benefits should be actually accompanied, notwithstanding that this may involve an increase of cost, by the adoption of a completely satisfactory scheme of provision for those excluded from insurance.

a) limited benefits

On condition that completely satisfactory provision, whether of occupation or maintenance, is made for those who pass out of insurance, I see no alternative to the Unemployment Benefit continuing to be restricted, as at present, to only partial maintenance, insufficient to ensure continued health and industrial efficiency. It plainly cannot be raised so as to approach nearer to the wages of work. But in view of this insufficiency I cannot recommend any lessening of the present rates.

But though, in view of the insufficiency of the present Benefits for continued maintenance in health and industrial efficiency, the payments cannot be lessened, their duration ought to be strictly limited. The social advantages of Unemployment Insurance warrant a short spell of "Out of Work Pay," without enforced occupation, or restriction of personal freedom, or inquisitorial enquiry into means (any enquiry ought logically to be, not into whether the claimant has any means, but into whether he has *enough* savings or other means to enable him, with the aid of the Unemployment Benefit, to maintain himself and his family in full health and efficiency). But they do not justify its indefinite continuance.

The length of time for which Unemployment Benefit should be allowed (subject to the obligation to accept employment as soon as offered or found) ought not to increase in any exact proportion to the number of contributions paid. Such a maximum as "one in five" would, standing by itself, permit a man of 36, who had twenty years' continuous employment, to remain idle on Unemployment Benefit for no less than four years. Nor ought the entry into Benefit to be dependent, as a matter of principle, on a fixed minimum of previous employment (the new claimant, owing to youth, or recent change from uninsurable to insurable employment or recent return from a foreign job, may not have been able to accumulate the "stamps"). The governing factor in determining the period of Benefit should be the usual effect on the individual of a certain spell of idleness. Yet in view of the psychological effect of Insurance, due to the assumption of the beneficiary that he has "paid for his Benefits"—even if this is largely a delusion, it is a socially useful delusion—it seems desirable both to require some preliminary (possibly a dozen) contributions, for entry into Benefit, and to allow somewhat more than the normal length of Benefit to claimants having years of contributions behind them. What I have seen leads me to deprecate a longer period of Insurance Benefit, even for claimants with innumerable stamps, than twelve months. Those having fewer than a prescribed minimum of stamps might be limited to six months. But any such limitation to Insurance Benefit must be absolutely conditional on the simultaneous adoption of satisfactory provision of maintenance and occupation for those who pass out of Insurance Benefit.

b) EXCLUSION OF WORKERS EMPLOYED UNDER CONDITIONS UNSUITABLE FOR INSURANCE

The present scheme of Unemployment Insurance has been found inapplicable for certain classes of workers, either actually in employment or still in the "employment field," for most of whom the Insurance Scheme was originally never intended, namely, (*a*) those in casual employment in any industry; (*b*) those in employment in industries habitually practising "short time"; (*c*) those in occupations lasting only for brief seasons in each year; or (*d*) men or women, married or single, employed habitually only one or two days in each week or for oc-

casional days only, and not seeking or even desiring other employment, whether because they engage in other occupations which are unsalaried, or because they have adequate sources of maintenance.

To put the present Unemployment Insurance Scheme properly on its feet requires, in my judgment, either the framing of special regulations for all these (and probably in any similar) sections of the Unemployed, which include the great industries of coal and cotton; the whole of dock labour; and, as at present organised, some of the industries employing a large proportion of women. To enable such industries to be included in any sound scheme of Unemployment Insurance would, as the authors of the 1911 Scheme foresaw, involve complicated special regulations of a restrictive character.

I may add that I have come across nothing that points to the conclusion that there is any necessity (or any justification) for differentiation among insured persons according to sex or marital condition. It is the character of the employment—the extent or nature of its deviation from systematic full-time for the whole week—that determines its unfitness for Unemployment Insurance, not the personal circumstances of the individual worker, whether man or woman. To make exclusion from the insurance scheme depend on sex or marriage would wantonly increase the difficulties of reform, without precisely obviating the evils which it is essential to prevent.

In deciding to which occupations the Insurance Scheme should extend, and which sections should be excluded, I should give great weight to the fact whether any Trade Union had successfully maintained its own system of "Out of Work Pay" in such circumstances. The opinion of experienced Trade Union officials as to the possibility and desirability of any system of "Out of Work Pay," under Trade Union administration, *apart from any Government subvention* under such conditions of employment, would be deserving of great attention.

My own opinion is that, as there must inevitably be an extensive provision for the Unemployed who pass out of insurance by limitation of the period of Benefit, it would be preferable to provide in a similar way, apart from insurance, for those sections of the wage-earners whose occupations cannot be made to fit any sound scheme. Such persons as have stamps to their credit must, of course, be allowed to qualify for the Benefit that the law has guaranteed to them. But on this view it is indispensable that the provision made apart from insurance should be co-extensive with the need; and to this I now turn.

The Alternative to Insurance Benefit for Those outside a Reformed Insurance Scheme

It is, I think, socially inexpedient—and it would, I am sure, be found to be politically impracticable—to deprive of their present Benefits under the Unemployment Insurance Acts (including Transitional-Benefit), or even to let Transitional Benefit expire, without simultaneously adopting a satisfactory scheme of provision for all the persons concerned.

THE INTERMEDIATE CLASS CANNOT BE RELEGATED TO THE PUBLIC ASSISTANCE AUTHORITIES

The first suggestion, a very natural one, is that the "Intermediate Class" as it has been termed—the class lying between a reformed Insurance Scheme and the Poor Law—might, with great convenience, be relegated to the Public Assistance Authorities, whose jurisdiction extends over the whole of Great Britain. Any such proposal would arouse the strongest opposition. In my judgment, to put forward such a plan would seriously jeopardise the whole scheme of reform. Without, however, discussing this issue of policy, I limit myself to setting out the reasons which seem to me to make such any scheme administratively and politically impossible.

1. There is no National Authority giving "public assistance." The Public Assistance Authorities are 200 in number (145 in England and Wales, and 55 in Scotland), and they are all completely "localised," raising by local rates their separate revenues, each dealing exclusively with the residents within its own area, and having as little to do as possible even with the neighbouring Public Assistance Authorities. Their areas have, for the most part, no correspondence with industrial districts, nor with the districts of the local Employment Exchanges. Thus Tyneside, which is from the business or employment standpoint one, sprawls over two Administrative Counties and four County Boroughs. The port of Liverpool is in two Administrative Counties and three or four County Boroughs. The cotton industry extends into three Administrative Counties and nearly a score of County Boroughs. Even where uniformity of policy and identity of treatment has been recognised as essential, the Local Government Board and the Ministry of Health, with the most autocratic powers of making "orders," has never been able to get the several Local Authorities anywhere near it. I need only mention the glaring contrast in the treatment of the able-bodied by the various metropolitan Unions, such as Paddington and Kensington on the one hand, and Bethnal Green and Poplar on the other. The contrast still continues between the Borough of West Ham, and the County of London; and between the city of Liverpool and the County Council of Cheshire. It would be quite impossible to make the Public Assistance Authorities, dependent as they are on a variety of local electorates, maintain or even adopt anything like a uniform policy towards the Unemployed, whether as to the admission of claims, the "Means Test," the treatment of the claimants, the amount and duration of the money payments, the occupation or training to be imposed or even offered, or the efforts made to place in employment.

2. The burden to be imposed on the 200 Public Assistance Authorities would vary enormously. Three-quarters of all the unemployed in England and Wales are residents in the areas of about a score of them; whilst the other six score in England and Wales would have less than one-quarter distributed among them. Something like four-fifths of the Unemployed in Scotland reside within the districts of half-a-dozen of the Public Assistance Authorities, whilst about one-fifth of the total are scattered among the other half hundred. Some of these Local Authorities would each have over thirty or fifty thousand unemployed (including dependants), to grapple with. Others would have only a few hundred. Unless the National Exchequer bore the whole expense, the increase in the local rates would be, in the worst areas, simply colossal; and the rise in the rates would be greatest in places like Glamorganshire and Durham, which are already the

most distressed. The rise would be least in places like Bournemouth and Dorset, where there is now the least distress.

3. But it would be simply impossible for Parliament to impose so great and so inequitable an increase of the local rates for the benefit of the National Exchequer. There would have to be an increase in the already large Grants in Aid to Local Authorities. And this lands us on the horns of a dilemma. If an impossible increase of rates is to be avoided in the districts where the Unemployed are most numerous, the new Grant in Aid must be made, if not equal to the increased burden, at least to a very high proportion of the augmented charge; and made also to vary, year by year, with the amount of that charge. Yet if these Local Authorities are to be relieved of all or most of what they may spend on the Unemployed, the Treasury certainly cannot trust them with the spending of it. Even if the maximum amount per case were fixed by law, there must be local discretion as to what claims to admit; and in some districts this would mean a calamitous opening of the floodgates!

4. Of all public bodies in Great Britain, the Public Assistance Committees of the County and County Borough Councils, who are still, in most parts, little different from the old Boards of Guardians, are about the furthest removed in spirit and intention from the departments of the Employment Exchanges which have for twenty years been serving the Unemployed. The function of the Public Assistance Committees is exclusively the administration of the statutory Poor Law, which is still legally confined to what was done by the Guardians. Any person who accepts their aid must be "destitute." They cannot provide the expenses of removal to jobs, or even incur any expense in discovering them. They can do nothing for him but "relieve" his "destitution." Their whole organisation and staff have been built up for this purpose, and has absorbed its own peculiar technique. If the "Intermediate Class" were simply relegated to the Public Assistance Authorities under the existing law, it would mean that their payments to the Unemployed would have to be confined to those who could prove that they were not merely genuinely unemployed but actually "destitute." Those who received these payments would become "paupers," with the degradation in actual legal status that this involves. They would be ineligible for election to the County or Borough Council, the District or Parish Council, and would vacate their seats if already elected. They would be obliged to do the "test work" that would have to be exacted, without receiving any wages. They could, at the Committee's option, be given nothing but admission to the workhouse. It should be noted that there could be practically no appeal from the decision of the Poor Law Authority. The Minister of Health is expressly debarred by statute, continued for nearly a century, from intervening in any case to obtain an increase of relief. The persons relieved would, in their employment, be outside the Workmen's Compensation Act, and thus receive no compensation for injuries received in the course of their "test work." Even for positive ill-treatment by neglect they would have no legal remedy. If they had not a "settlement" within the County or Borough, they would be liable to be compulsorily "removed" to their "place of settlement" however distant or strange to them. This is actually done to-day in thousands of cases annually. If the Committee thought them to be "unfit" their children could be, merely by Committee resolution, compulsorily taken from them for ever, subject only to an appeal to Petty Sessions. This is actually done to-day in many cases annually. I cannot believe that any such deliberate degradation in status of the Unemployed could be contemplated for a moment.

5. If the provision for the Unemployed were handed over to the Public Assistance Authorities as a new duty, outside the Poor Law, perhaps under new committees, these Authorities would either have to start new institutions and engage new staffs of officials, distinct from the present workhouses and Poor Law staffs—which would destroy all the supposed economy of the plan—or else employ, in place of the present Employment Exchanges, the existing Relieving Officers and Workhouse Masters on this new work, with the inevitable result that these would bring to it the Poor Law attitude of mind, the Poor Law training and the Poor Law technique. They would be unable to refrain from attempting, as one section of the electorate would press them to do, to "deter" the unemployed from applying for Benefit, by making it as disagreeable and as humiliating as possible. The need for a very large and extraordinary unequal Grant in Aid would remain. The Public Assistance Authorities would find themselves discharging their new duties, not under the Ministry of Labour, which has learnt to know the Unemployed, but under the Poor Law Division of the Ministry of Health, accustomed to deal only with paupers and vagrants. And, most important of all, the inherent difficulty of the work being done by any local body, just because of its restricted area, would not be overcome.

6. In Scotland, the 870 Poor Law Authorities, which have now become the 55 Public Assistance Authorities, have been legally debarred until 1921 from giving any kind of assistance to the able-bodied. To this day, although they do, in some places, give Outdoor Relief to destitute men, or admit them to the Poor House (intended only for the sick and infirm), there is no official machinery under the Public Assistance Authority for dealing with the able-bodied, no means of setting them to work, and no suitable accommodation for those who have to be institutionally treated. Yet it would be administratively difficult to deal differently with the Unemployed in North and South Britain respectively.

What Would Be Legitimately within the Sphere of the Public Assistance Authorities?

There are, it is true, a certain number of persons—how many I cannot even guess—who must, in any reform of Unemployment Insurance, necessarily pass into the sphere of the Public Assistance Authorities (though most of them not into the category of the able-bodied)—I mean those men and women who may be decided to be no longer within the Employment Field, and may be found to be without means.

At some point in the normal decline of every person, from perfect health and efficiency, the worker, whether or not "insured" and "in benefit" ceases to belong in any real sense to the Unemployed, and passes into the category of the Disabled. The line to be drawn must necessarily be an arbitrary one, and a decision needs to be given in each case. At present the only fixed line of this sort is the statutory exclusion from the Unemployment Insurance Scheme alike for contributions and for Benefits, irrespective of the degree of physical, mental or moral efficiency, on reaching the 65th birthday. In addition, the practice seems to be that Unemployment Insurance contributions are not payable, nor are Unemployment Benefits claimable, in respect of any period in which either a Health Insurance doctor has certified that the claimant is "incapable of work,"

or a formal certificate has been given that the claimant is of unsound mind, and during which period he has been, in fact, unemployed.

These existing exclusions seem to me to leave within the present sphere of Unemployment Insurance a number of persons who are, for one reason or another, no longer effectively within the "employment field." If the test is to be the willingness of an employer, in times of normal trade, having actually a vacancy for an additional labourer, to pay the normal wage (or at least a subsistence wage), to the person in question, it seems clear that every Employment Exchange has on its Live Register a number of would-be workers under 65 years of age who will almost certainly never be employed again. There are some whose bodily strength has considerably declined; there are others whose mental capacity has fallen below par; there are the sufferers from accident who have received slight compensation and are certified as fit only for "light work"; others have inadequate eyesight or hearing; there are some whose loss of limb or crippled state causes every employer to reject them; others, again, as manifested by their employment record, have some defect of will or habits or moral character that has prevented them from continuing at any work for more than a few days at a time. These cases are unsuitable for Unemployment Insurance. They not only drain the fund, but also clog the machinery of the Employment Exchange. If such persons are in receipt of Transitional Benefit the law requires amendment so that they may be struck off. I see no alternative but to authorise the careful examination of each case, including a hearing of the applicant; and the definite relegation of those claimants found to be outside the "employment field" to the appropriate branch of the Public Assistance Authority. Those found to be in need of medical or surgical treatment, or unemployable simply because of physical invalidity, must be dealt with by the Health Committee. Those unemployable from mental deficiency or disorder must be dealt with by the Mental Hospitals Committee. Those suffering merely from the infirmities of Old Age must be dealt with by local pensions or otherwise as other aged persons without means are locally dealt with. Only a residuum will remain to be dealt with as able-bodied, whose failure to get employment is adjudged to be due to what will be regarded as deficiency of moral character, to be given whatever restorative treatment may be practicable.

The Unemployed Are Not All without Means

It must not be supposed that anything like the whole of the persons who may be struck off Transitional Benefit, or excluded altogether from Insurance, will seek assistance under any alternative scheme of provision having other conditions than the present Insurance Scheme, or will even apply for Outdoor Relief to the Public Assistance Authorities. At present, practically all persons who believe that they are statutorily entitled to Unemployment Benefit apply for it as a matter of course, whatever their means—just as a millionaire applies as a matter of course for the amount due under an insurance policy whenever his property is burnt or his motor car damaged! If such persons passed out of

insurance, they would soon learn (as they have done with regard to Old Age Pensions) to what extent and in what way the possession of means disqualified them from claiming. The workman owning cottage property, or investments producing £100 a year (or whatever was prescribed as the statutory limit); or the wage-earner of either sex who marries a spouse enjoying such an income, would immediately cease to claim. The experience of the past ten years shows that, whenever a batch of insured persons drops out of Benefit, only a fraction of them apply for Poor Relief; and various enquiries indicate that the proportion of these who have savings or other sources on which to live is, at any rate among some sections and in some districts, not inconsiderable.

A National Authority for the Able-Bodied

My proposal is that the Ministry of Labour should be converted, as the Machinery of Government Committee (C.D. 9230) in 1918 recommended, into the Ministry of Employment; and that it should be put in sole charge of all the public provision that may be decided on for the maintenance of the able-bodied, meaning all those who may be held to be still within the Employment Field.

This Ministry of Employment would then include, as separate departments:

a) The National System of Employment Exchanges available for all employers seeking employees of any kind or grade, and for all persons seeking employment of any description;

b) The administration of the Unemployment Insurance Acts;

c) The development of the existing registers at Kew into a complete national register of all persons within the Employment Field, which could, without additional obligation on the citizen, and at slight additional expense, be kept up to date by automatic communications from the Registrar-General, the Local Education and other authorities, and the officers annually revising the registers of electors, as devised and recommended by the Departmental Committee on National Registration in its Report of 17th January, 1918;

d) The arrangements for migration and transference; and

e) A department for organising a systematic provision of maintenance coupled with occupation for all those within the Employment Field who are without means of subsistence, and who are outside the scope of the Unemployment Benefit of the Insurance Scheme (including, therefore, those in uninsured occupations, and also any other able-bodied persons, still in the Employment Field, now being dealt with under the Poor Law).

I do not pretend to be able to describe either the methods or the technique of these branches of the Ministry. Nor do I think that anyone can to-day forecast the development of the new social service contemplated in the last-named department. As we may learn from the history of such services as Public Health, the provision for mental disorder or deficiency, and Public Education, the necessary technique can be worked out only by those who are "doing the job." But in order to avoid an irritating vagueness, I will venture to suggest some of the conditions and a few of the devices that might be provisionally adopted by

the new department, to be progressively refined and corrected, enlarged or abandoned by the inevitable process of "Trial and Error."

It will be seen that I do not include in the Ministry of Employment any department dealing with the Prevention of Unemployment (as distinguished from the Treatment of the Unemployed), such as any dealings with currency and credit, the Trade Facilities Act, Export Credits Schemes, or alterations in the Customs Tariff. Any measures of this sort fall more appropriately within the sphere of what the Machinery of Government Committee termed the Ministry of Production (at present the Board of Trade). The promotion by the Government of Public Works occupies a more ambiguous position, and demands more consideration.

Public Works

By far the most popular and, it must be admitted, the most plausible way of dealing with persons who are out of work is the deliberate promotion by the Government of Schemes of "Employing the Unemployed" at wages, in the execution of works of public utility. This expedient has been tried at almost every period of Unemployment during the past hundred years, in all sorts of forms and under all sorts of conditions. It has, during the past few years, been recommended by all sorts of authorities, and it has enlisted the support, at one time or another, of all political Parties. A right judgment as to the efficacy of any such plan in reducing the total number of wageless workers, and its balance of advantages over disadvantages, seems to me to depend on an issue of fact, namely, whether or not the promotion of such works, at any particular moment, does or does not cause an actual increase in the total volume of Employment in the nation as a whole.

The strongest case appears to be that in which at a time when the volume of production for the sake of profit is falling off, public authorities should increase their purchases of stores or set in motion new works of utility, in the expectation that this will enable manufacturers to refrain from turning off their hands, or cause public works contractors to re-engage navvies and labourers who would otherwise not have been taken on after the completion of their last job. If this can be done by merely utilising capital that would otherwise have been idle, there seems no ground for doubting that a real, if only temporary, increase in the total volume of employment will result. But such an increase in Public Works, however, useful in lessening "cyclical Unemployment" in the years of slump, has little relation to the present situation. The Public Works actually open to the Local Authorities with State Aid, or to the National Government itself, are not economically profitable, and yield, at best, a slight return in public amenity. The extravagant improvement of roads, the laying out of recreation grounds and the costly re-planning of seaside esplanades, "finding work" for a few tens of thousands of unemployed tailors and engineers, miners and shipyard workers, clerks and farm labourers, at an actual cost of a million pounds for each four thousand men for twelve months, are really ridiculous.

The waste involved in fabricating Public Works for "Employing the Unemployed" comes out more clearly when we realise that there is work urgently needing to be undertaken for increasing the industrial efficiency of the nation, for which it is said that capital cannot be found! There is, we are told, no capital available for making our steel industry even mechanically equal to the best already existing in the United States and Germany; none for electrifying the railways; not enough to bring to fruition the commercial production of oil from coal; and so on. From "Public Works" of this kind the Government is warned off, alike by the existing industrialists in the business concerned, by "the city" and by the public opinion of the capitalist class. Government intervention in doing what the nation really requires—involving necessarily Government control, and probably Government assumption of the industries in question, is regarded as "Socialism." Hence "Public Works" mean, as a means of "Employing the Unemployed" merely those enterprises not in the hands of capitalist profitmakers, which no capitalist will look at, because they yield only non-economic returns. Government expenditure of this kind, involving raising loans or increasing taxes, is, at this juncture, exceedingly unpopular, amid the clamour for "National Economy." What is more, it is uncertain, to say the least, whether there is, by such means, in fact any genuine increase in the aggregate volume of employment, even temporarily. When the work is so organised as to take on, at any rate in large proportion, just the individuals in the locality who happen to be unemployed, whatever may have been their former occupations, it becomes at least probable that other workers, in a different part of the Kingdom, may have been discharged from "slackness of trade" just because the taxpayers have cut down their establishments, and capitalist employers have put their idle capital into the Government loan, in direct consequence of the starting of the new "works of public utility." It is, indeed, difficult not to conclude that, so long as we live in a community which leaves its production to be organised, in the main, on the lines of capitalist profitmaking, with a banking system correspondingly arranged, the promotion of "works of public utility" by the Government will not genuinely increase the aggregate volume of employment. It looks as if for every unemployed person taken on at wages, some other wage-earner will find his job brought to an end. This consideration will explain why, in my proposals for the treatment of the unemployed, the promotion of additional works of public utility at the Government expense has a very small part.

I still think that, in the Prevention of Unemployment, the proposal of the Minority Report (1909) for a regularisation of the aggregate volume of employment over the period of the pre-war Trade Cycles by an annual variation of government orders, in correspondence, with the waxing and waning of private orders, would afford a useful corrective to the ups and downs of capitalist employment, without any appreciable extra cost to the government departments over the whole period. But this is applicable only to what is called Cyclical Unemployment, and has little relation to the position of the past decade.

The "Means Test"

It is, I think, part of the difference that must be made between Insurance Benefit and subsistence allowance to those unemployed who pass out of insurance, that there should be a Means Test. The right to Benefit irrespective of "means," or even affluence, depends on the claimant having paid contributions towards it. When he has, to use the Trade Union phase, "run out of Benefit"—or if he has never been within the scope of the Unemployment Insurance Scheme, he can fairly ask only for the Subsistence Allowance that the community deems it expedient to allow him out of its general funds, and subject to the conditions imposed in the common interest. For this reason he must, if he claims this Subsistence Allowance, sign a declaration of what are his means of subsistence, any deliberate mistatement being made a penal offence. The Employment Exchange will have to employ one or more enquiry officers whose sole duty it will be to check the accuracy of these declarations, much as the corresponding officers do for the similar declarations made by Claimants of Old Age Pensions. It might even be possible to employ for the new enquiry the existing staff now acting for Old Age Pensions, suitably enlarged.

It is, however, most undesirable to make either this Declaration of Means, or the enquiry that it involves, resemble the analogous procedure under the Poor Law, with "destitution" as its qualification for "relief," and (in England and Wales) the Relieving Officers for making its enquiries. The reason for adopting as a model the procedure for awarding Old Age Pensions instead of that of granting Poor Relief is much more than political. The great and fundamental evil of the Poor Law is its discouragement of thrift; and this is irrevocably involved in the whole technique that the Poor Law administration of the past hundred years has built up, and has now transferred (at least as regards the able-bodied) to the new Public Assistance Authorities. To implicate in any such discouragement of thrift the Ministry of Labour and the Employment Exchanges would be an economic blunder, and a grave social calamity.

What should be made the subject of signed declaration, and of official enquiry, should be a Table of Household Resources, not in order to prove their absence (that is, "destitution") but for the purpose of satisfying the Employment Exchange, first that the claimant can reasonably be required to surrender his full time for regular attendance at one or other type of Occupation Centre to be presently described; and secondly, that the aggregate incomes of all the members of his household, whether from wages or other earnings, or from investments, do not exceed the specified maximum (say £20 per annum per head).

I suggest that (unlike the procedure of the Old Age Pension Authority) only actual money incomes from investments should be taken into account (thus ignoring Savings Bank and other capital deposits, and National Savings Certificates, etc.). I should allow Building Society payments, like mortgage interest, as a deduction from rents receivable or value of house occupied. With regard to income from earnings (including profit on lodgers) and I suggest also voluntary allowances from relations and friends, it would be wise, as administrative

experience shows, not to take them fully into account (lest they are thereby made to cease), but only to the extent of one-half.

The Subsistence allowance would then be computed and awarded on some such lines as are indicated in the following example:

Per Week	Subsistence Rate £	s.	d.
Man over 21	0	18	0
Wife	0	7	0
Son of 17	0	9	0
Daughter of 16	0	5	0
Younger children at 2s. each—say two	0	4	0
	£2	3	0

Less:

	s.	d.			
Half son's earnings	10	0			
Half earnings at subsidiary occupation, say playing in the evening at cinema at 20s., therefore	10	0			
Rental value of house occupied 15s. per week, less Building Society payment or mortgage interest 10s. per week, balance	5	0			
Profit on lodger	4	0			
			1	9	0
Subsistence allowance payable			£0	14	0

It should be added that I see no reason why the Ministry of Employment should make any addition to the normal rate of Subsistence Allowance to provide for exceptional family needs. If for instance there are extra expenses for sickness in the household, or for the burial of one of its members; or if there are adult dependants incapable of work from mental deficiency or otherwise, or a large number of dependent children, with the result that the resources (including Subsistence Allowance) are insufficient for maintenance, the case becomes one of destitution in the Poor Law sense, and application should be made to the Public Assistance Authority for Outdoor Relief. I see no objection to such Outdoor Relief being drawn in addition to either Unemployment Insurance Benefit or the Subsistence Allowance payable to those outside the scope of Unemployment Insurance.

THE REQUIREMENT THAT THE RECIPIENT OF SUBSISTENCE ALLOWANCE SHOULD PLACE HIS NORMAL WORKING TIME AT THE DISPOSAL OF THE MINISTRY OF EMPLOYMENT

In my view, the main principle upon which this Subsistence Provision should be administered—the essential difference between that and Insurance Benefit—is that the claimant must declare himself willing, not only to accept any employment within his capacity, but also, pending the offer of such employment, to place his full time, for normal working hours, at the disposal of the National

Authority. This surrender of the normal working hours, in so far as officially called for, I regard as absolutely essential to prevent universal Subsistence Allowance for those still in the Employment Field from having the worst possible social results. It is necessary for two distinct reasons. For strong healthy men to spend day after day in idleness, with no definite occupation, for months and months at a stretch, is, in a vast majority of cases, seriously deteriorating to character, and even to health. Yet to be able to escape fatigue, the uncomfortable conditions, and the discipline of continuous work is so tempting to a large proportion of men at all times, and probably to all men at some times, that the universal offer of Subsistence Allowance whenever unemployed without some unpleasant conditions, must undoubtedly lead to a certain amount of slackness in seeking employment, and of indifference to being dismissed from employment. Let this be continued month after month, with Subsistence Allowance as a regular certainty without conditions, and the result will be the spread of the insidious social disease of Voluntary Unemployment.

I suggest the initial demand from the claimant of Subsistence Allowance of a declaration of willingness to surrender his normal working hours, because it may well prove impracticable for the National Authority to organise, immediately and everywhere, the necessary means of usefully occupying those working hours, for possibly tens of thousands of claimants all over the Kingdom who will, each month, pass out of Transitional or Insurance Benefit. Yet they must all be able to get subsistence without the delay of a single week.

Meanwhile the National Authority will have been investigating and considering how to occupy these working hours of an aggregate of possibly some hundreds of thousands of men between 16 and 65, and a smaller number of women. I do not pretend to sketch out the necessary programme, which the experience of the past twenty years will suggest. What can be foreseen is that there will be no one uniform plan of occupation, but a wide variety of occupations, appropriate to particular ages, to particular family and industrial circumstances, to particular localities, and even to the prospects of particular industries. Within the necessary limits of cost, of regard for the effect on the Labour Market, and of the results to be reasonably expected, the more free and varied the experiments in usefully occupying the unemployed the better. It is an additional reason for a National Authority that all experience shows that it can be, in this field, more inventive and ingenious than any one Local Authority restricted to its own area. The object, it must be always remembered, is not to produce profit, or even anything useful—though in so far as anything can be produced, not necessarily for sale but for the public benefit, as a partial set-off to the cost, this would be all to the good. Nor is the object to give the men technical training in the hope that they may thereby escape future unemployment—though any improvement in the workers' efficiency is a social gain, whether or not it leads immediately to re-employment. The object to be attained is, somehow or other, to provide occupation for hours that would otherwise be spent in idleness; and

to make this occupation, so far as it may be administratively practicable to provide it, a condition of the Subsistence Allowance.

In order merely to indicate clearly the kind of thing I have in mind, I append the following rough scheme that the Minister of Employment might usefully submit to his expert advisers.

Scheme of Treatment of the Unemployed outside Insurance

1. Apart from any necessary short general extension of existing Transitional Benefit, complete stoppage of Insurance Benefit for those who subsequently "run out."

2. This to be immediately accompanied by institution of Weekly Subsistence Payments to those who claim under the new conditions.

3. Claimants should—besides registering at the Exchange just as if they were insured—sign declaration: (i) that they are unemployed, and not earning wages; (ii) that they (including wife, children at home, and any other member of the household) have such and such income, including all sources of maintenance: or none; (iii) that they are available for, and prepared to accept full time daily employment in any occupation within their capacity and within reasonable limits, in any locality; and (pending such employment being found—by them, or offered to them) to place themselves at the disposal of the Authority for full time every day as soon as required.

4. There should be organised for each Exchange, or group of neighbouring Exchanges, as quickly as possible, a series of Occupation Centres of different kinds, e.g.: (*a*) General Industrial Training primarily for young men, on some such lines as at Wallsend. (*b*) General Domestic Training primarily for young women, not necessarily to equip them as Domestic Servants; but merely to increase their efficiency in what falls to every woman's lot. (*c*) General Agricultural Training for intending Small Holders or emigrants and those who have gardens. (*d*) Special Schools of Training for Domestic Servants, whether residential (for which some are not eligible) or as daily workers (for whom there seems to be an unexhausted demand, if properly trained); waiters and waitresses; and any other occupation where increased employment may be expected. (*e*) Special Industrial Schools confined to Unemployed *already in the trade*, whose technical education *in that trade* could be improved, e.g., in engineering, bricklaying, plastering, woodworking. These might be undertaken, under arrangement by the Local Education Authority; but full time attendance should be indispensable.

It is to be noted that much of the foregoing, if not all of it, is already within the statutory powers of the Minister of Labour under the present Insurance Scheme.

5. There might even be a National Labour Corps in which a definite number of navvies or miners or general labourers might be enrolled at regular rates of wages, under competent civil engineering foremen and managers; to be sent about in detachments, equipped with tents, lorries and tools, lent by the Army Service Corps, to execute works of coast protection, embanking and draining

land, and other improvements, which might be done without charge to the locality in approved cases.

6. It would be essential for each Exchange, without exception, to have, almost from the start, the means of *ordering* men and women to put in full time attendance *somewhere*—even if only as a means of testing, in a certain proportion of cases, the genuineness of their signed declaration of willingness to give full-time. Probably it would be expedient, pending more useful alternatives which would take time to provide ubiquitously, to order either to all the younger men and women, or to those of any age, a prescribed attendance for a *Health Course* giving a varied day at Swedish Drill and other appropriate exercises, varied by lectures, etc. To put in eight hours of this for five days a week would sufficiently deter the mere idler!

Occupation Centres

All these Occupation Centres would need skilled instructors as well as managers; but such persons are also unemployed, and their names are even often found on the Live Registers of one or another Exchange. They would involve temporary premises; which are also abundant in most industrial centres (vacant warehouses and factories, shipyards out of use, disused skating rinks, etc.).

Common features of the daily programme would be Physical Exercises to improve health and strength. Fatigue parties in which all would serve in turn, to do all the necessary cleaning, cooking, serving, etc. Something would have (as at Wallsend) to be added to the Normal Subsistence Allowance when full time daily attendance is exacted, but this should preferably take the form of a good midday meal, with a money allowance for tramway fares if the institution covers a wide area (e.g., Tyneside). As far as possible, admission should be made a privilege, and offered as such (as at Wallsend). But it should also be used (without parading the fact) as a Test. The best men would jump at the chance of occupation and self-improvement. Some would have valid reasons for demurring, and many would hesitate at the unknown, and require persuasion. Others, I am sorry to say, would be found persistently to refuse offer after offer; because they had already become demoralised by idleness. These should have definite employment at wages offered to them; and the Employment Exchange ought (whether by arrangement with the Municipality or otherwise, of a sort of "revolving credit," in that the Borough Surveyor would always be prepared to employ up to a dozen or a score of men at a time) always to have a few labouring jobs "up its sleeve," to be formally offered to such suspected shirkers —leading probably to some of them being presently struck off Subsistence for wantonly throwing up their job, and the others offered admission to one or other type of Occupation Centre.

The Objection to New Expenditure on the Unemployed on the Grounds of "Economy"

I foresee that any new expenditure on the Unemployed will be objected to as inconsistent with the urgent call for "National Economy." Let it first be noted

that a new form of expenditure upon each of the Unemployed does not necessarily involve an increase in the aggregate expenditure on the Unemployed as a whole. As every administrator of Outdoor Relief knows, any new condition, however innocuous, lessens the number of applicants. But it must be admitted that the reforms proposed in this memorandum may possibly involve an immediate temporary increase in the total public expenditure on the Unemployed. My answer is twofold. First, we have the Unemployed on our hands, to the alarming number of nearly three millions; and any alternative form of provision would quickly result in a far heavier drain on public funds than is involved in the reforms now proposed. It is quite true that, if the Unemployed are not to be left to starve, the cheapest way of maintaining each of them is by the universal distribution of doles just sufficient to keep the families alive. But a hundred years of experience teaches us that the "economy" of unconditional Outdoor Relief is delusive, because the number of claimants quickly increases, in such a way as to transcend all limits to the total cost. Yet every alternative to such a dole—whether "Employment Relief" on public works; or the provision of technical or other training; or the organisation of physical exercises and educational lectures; or even segregation in a workhouse or Labour Colony—demonstrably involves a substantially larger expense per head than the mere dole. Unless the nation is prepared to incur, at the outset, that increased expense *per head* through one or other of these expedients, with the prospect of saving in the long run by setting bounds to the number of claimants, or even actually lessening their number, the attachment to a delusive "Economy" will prove an untold extravagance.

I may, perhaps, be permitted to add, as the second answer, that the "National Economy" called for by the State of the Nation, is no more necessarily a reduction in the Government expenditure (which amounts to about one-quarter of the national income) than in that of the expenditure of private individuals (which amounts to about three-quarters of it). Indeed, this "National Economy" that is so desirable does not involve any reduction of expenditure at all—if it did, it would cause a calamitous immediate increase in the number of the Unemployed—but rather a change in the purposes to which the National Income is applied. National Economy demands an immediate reduction of the amounts spent (whether collectively by the central or local governments, or individually, by private persons) in ways that are wasteful of the community's means, or detrimental to its health and efficiency. It calls, further, for a transfer of expenditure from current consumption, in so far as not required for the maintenance of health, to expenditure on durable improvements, whether in the form of increased mechanical equipment or in that of advance in skill of the persons concerned, that are calculated to increase our industrial efficiency. It is, in short, not a reduction of expenditure that sound economists call for, still less a reduction of Government expenditure as such; but such a re-allocation of all the expenditure of the nation, as to increase next year's income.

From this standpoint we see two significant criticisms on the nation's treat-

ment of the Unemployed. In the first place, nothing could well be more extravagant for the Nation than letting any large section of its producing population become deteriorated in health and industrial efficiency. We must accordingly maintain the Unemployed. In the second place, we must equally condemn as extravagant the adoption of any plan of maintaining the Unemployed that causes, even if only among an appreciable proportion of them, a deterioration of character. Tested by this criticism, a scheme of Unemployment Insurance meets with approval, but only within very definite and even narrow limits. Tested by the same criticism, any universal provision of maintenance in idleness (apart from Insurance in its limited sphere) stands condemned as seriously extravagant; and the adoption of any such scheme "because it is the cheapest per head" can proceed only from an ignorance which is the worst extravagance of all. Tested in the same way, the additional expenditure necessarily incurred in exacting, as a condition of maintenance, the surrender of the normal working time seems to me, as we have got the Unemployed on our hands, an expenditure which is the truest National Economy.

TESTIMONY OF MRS. WEBB

CHAIRMAN OF THE ROYAL COMMISSION: *Mrs. Sidney Webb, for myself and the other members of the Commission I should like to express to you our gratitude to you for taking the trouble to come here and for preparing the very valuable Memorandum which you have sent to us. Each member of the Commission has carefully read it and we do not propose to take you through it in great detail, but we should like you, if you would, to permit us to ask you questions upon it and to emphasise any particular part of it which you desire to deal with in that way?*—Certainly.

Everyone knows that you have for a very long period of time been a student of matters connected with the life and labour of the people of this country. You started, I think, in the year 1887 on that work?—Yes. I gave evidence before the Lords' Committee on the Sweating System in 1888. That was my first appearance in that way.

And we all know that you have written very valuable books on the subject, particularly the third volume of the work, which you and your husband published, entitled "English Poor Law History." In the second paragraph of the Memorandum you deal with State Unemployment Insurance?—Yes, about that I should just like to emphasise the objection which the Minority Report made against any scheme of Government or universal Unemployment Insurance. That is to say, we thought that it would be absolutely impossible, and very dangerous, unless you had the compulsory use of the Labour Exchanges. I am certain that that was a valid objection on our part—that without the compulsory use of the Labour Exchanges, at least for the notification of all vacancies, by all employers as well as by the employed, you get very dangerous consequences from Unemployment Insurance.

You mean the compulsory use of the Labour Exchanges by all employers for the engagement of workers?—Yes, so far as regards registration of all vacancies and

of their being filled. Then I should like to emphasise the statement about the Trade Union out-of-work pay—that it was never considered as insurance in any sense of the term. It was out-of-work pay according to the ability of the Union at that time to give out-of-work pay—that if their Budget did not balance they did not give it. They were under no contract to give it. It was not full maintenance. It was not insurance. Then I should like to emphasise[2] as to the disastrous consequences of using technical terms in an inaccurate way. The use of the term "Insurance" and "Actuarial basis" for the 1911 Scheme very much injured the probability of its being successfully worked, because it led to the supposition that there was such a thing as an actuarially sound scheme of insurance. I contend that that cannot be the case when you have a third party intervening and fixing at its own will the premiums and contributions from time to time. The meaning of insurance, and the meaning of actuarial basis, is that the premiums should cover the benefits, and that if they did not in fact cover the benefits then there was no sound scheme of insurance and no actuarial basis. I think that the point is extremely important—that directly you get a third party introduced which is giving subsidies, and determining from time to time what the benefits shall be, the whole soundness of the scheme from the point of view of insurance and of an actuarial basis is destroyed. In a sense it is a sham. It leads to such impossible proposals as a non-contributory scheme of insurance. It is a terrible example of the misuse of technical terms.

CHAIRMAN: *Before we deal further with* ["*the lack of an actuarial basis*"], *I should like you to deal for a moment or two with* [*page 273 cf.*] *your Memorandum*,[3] *because you there strike a note at the very commencement of that paragraph that is important. You say: "It can now be seen that it was just the fact that the Insurance Act of 1911 was not accompanied by a scheme of providing for the unemployed outside insurance—whether maintenance or occupation—that made it a grave public danger. For it was soon discovered that public opinion would not tolerate the relegation of the bona fide unemployed person, thrown out of work through no fault of his own, to the Poor Law."*—Yes, I should like to emphasise that because I think the situation will recur. I think it is bound to recur. Directly you get a large number of people outside insurance who are unemployed and without the means of healthy subsistence you will inevitably try to extend the subsistence through insurance to persons who have really fallen out of insurance. That is the psychology of political democracy, and you cannot help it—that is why it is so dangerous to begin such a scheme. . . . .

Then you refer to the "actuarial basis" and you have emphasised your point with regard to that?—With regard to the advantages of the insurance scheme, I admit that there are definite advantages. I should not begin an insurance scheme if we started afresh now, but we have got it, and I do not think it is possible to do away with it, and it has its advantages. I point out that so long as you keep the insurance benefit below the ordinary wage, and so long as it is restricted to a short period, you can give a great deal of personal liberty to the person who is

[2] See p. 274. [3] See p. 273, par. 2.

receiving it. That is one of the great advantages, that of giving that personal liberty. In not enquiring into means, you can give a subsidy to the resourceful person who saves, and, therefore, can encourage him. That is a distinct advantage of an insurance scheme, so long as it is strictly limited in its application.

CHAIRMAN: *Do not you think that the psychological effect is very important—that the person maintains his dignity and independence?*—Yes, I think he can maintain that. You give him also personal freedom and that is a distinct advantage.

But there are, unfortunately, disadvantages you think?—Oh, yes, very grave disadvantages in the scheme.

Would you name one or two of them?—The great disadvantage, if you give benefit for a long period or an unlimited period—and still more if you give as much subsistence as the insured person would otherwise earn is,—of course, that you encourage voluntary unemployment. That is specially disastrous to young people. I know that it is said by Trade Unionists—and rightly said—that if a man has been in habitual employment for many years he will much prefer to go on working. You get the habit of work, and if you get the habit for work you prefer to work even if you do not get any more pay than if you were idle.

Personally, I would prefer to write a book than to be absolutely unemployed and I should be very disconcerted if I had not a book to write. But directly you get to the young person in whom you have actually encouraged the habit of not working, of course he prefers not to work. Most people at some time, and some people at all times, prefer to lounge rather than to work, and therefore it is essential that what you give as an allowance should be less than what the man would be earning if he were in employment, so long as it is sufficient to keep him in health and efficiency. Here we see the danger because unfortunately wages are not always sufficient to keep a man in health and efficiency and they are generally not so in occupations in which the wages are unregulated either by law or Trade Unionism. There you have the danger—the ever present danger—that the man would prefer to be idle on any adequate subsistence than to work for a smaller income. That is obvious. It is thus another reason against insurance that you have not got the rates of wages properly regulated right throughout the country as you ought to have. There are many occupations that do not give decent subsistence to a man or a woman even if they work at them for the whole of their time. In these cases it becomes very dangerous to give the insured persons an allowance sufficient to keep them in health, which is more than their current wages when employed. . . . . I know nothing more melancholy than the sight of idle young men in the mining villages of South Wales and Durham, with their listless, unoccupied look. You can see that many of them will obviously take to bad practices. They are losing their skill and they are gaining the very worst kind of mentality. It is a terrible, an awful tragedy.

You made a remark just now—you said that if you had to start over again you would not be in favour of an insurance scheme? Would it embarrass you if I asked you what you would provide for the unemployed worker in place of the insurance

scheme? I should prefer a system of maintenance without insurance. But I am not prepared to argue that point because we have got insurance. As there are some definite advantages in it, I should prefer to subsidise a Trade Union scheme. That is what we proposed in the Minority Report—to help the Trade Unions to extend their own unemployment insurance, and to leave them responsible for checking voluntary unemployment. That was not accepted.

Then you still abide by the Minority Report?—Yes, but I am not prepared to recommend it now.

In view of the existence of the insurance scheme?—In view of the existence of the insurance scheme; you have got people accustomed to it. It may be one thing introducing a thing; it is another thing stopping it once it has been introduced. I should say exactly the same about Health Insurance. I think, if I may be permitted to say so, that the governing class made a great mistake in thinking that because they extracted pennies from the workers they were gaining some advantage thereby. I remember having an argument with Lord Balfour on that particular subject. He was prepared to accept the Health Insurance scheme largely because he thought he was getting money out of the workers to pay for their own maintenance. I said that he would find it precious expensive by the time the scheme was in working order because the Treasury would be getting very little of the money. However, there it is and we have got to make the best of it.

. . . . *You pass on [p. 278] to another subject—another aspect of the matter which is of great importance, "the exclusion of workers employed under conditions unsuitable for insurance"?*—That I feel very strongly about from the standpoint of the demoralisation of industry. I have read the explanatory Memorandum from the Ministry of Labour with regard to transitional benefit. I notice that here they are proposing that transitional benefit shall continue to be given to persons in casual employment and to those on short time. I think it is a great mistake, and that such people ought rather to be put into training and give up their whole time to it. You see that the Government will be actually subsidising casual labour and short time—that seems to be a very dangerous procedure.

[On page 279, par. 2], if I may deal with the matter here, you say you see no need for differentiation according to marital conditions?—No, certainly not—why should there be?

I do not know. Did you see the first Report of this Commission where we dealt with married women?—Yes, I did read it. I have forgotten the argument, but I know I objected to it. I saw no reason for making any difference with regard to married women. It depends on what their employment is. If it is casual I should object to it whether it was for men or women.

There is one point I should like to ask you a question on. Is it not a common practice for women to withdraw from industry upon marriage?—I do not care whether it is a common practice or not, but, in fact, in certain large industries in some parts of the country I believe it is more common for married women to work in industry than not to work. It is a question of what they are doing at

the time and whether their type of employment is inconsistent with the successful administration of insurance. I do not mind whether it is a casual labourer who is unmarried or a married woman—it is the character of their employment that I care about.

I see your point of view.—I object altogether for all sorts of reasons to any kind of differentiation between marriage and the absence of the marriage ceremony because it leads to all sorts of undesirable things. I think it is ridiculous to make any distinction between the married and the unmarried woman as such. Surely the mere ceremony does not affect the question.

Then on page 279, par. 1 you give an expression of opinion that is important. You say: "To put the present unemployment insurance scheme properly on its feet requires, in my judgment, either the framing of special regulations for all these (and probably in any similar) sections of the unemployed, which include the great industries of coal and cotton; the whole of dock labour; and as at present organised, some of the industries employing a large proportion of women. To enable such industries to be included in any sound scheme of unemployment insurance would, as the authors of the 1911 scheme foresaw, involve complicated special regulations of a restrictive character."—Yes, I do not believe it would be possible—of course, I do not know—but I do not believe it would be practically possible to get really efficient regulations for these extensive classes. I think that it would not be worth the trouble, and I do not believe you would ever get them.

Putting it shortly, you think these trades ought to be excluded from the scheme?—Yes, assuming that adequate and suitable other provision is made for them, I think they ought to be excluded from the insurance scheme. That is really only an opinion. I am not qualified to give an opinion on that subject, but it seems that it would be extremely difficult to draft and enforce those special regulations without which inclusion in a sound insurance scheme is impossible. I think you would find a great deal of friction with the Trade Unions and the employers themselves and so on, and I do not think it is worth doing

Yes, then you pass on to deal with other matters [p. 279, pars. 3 and 4]. Have you any desire to add anything there?—All I want to emphasise is that I do not think you can make any insurance scheme really efficient unless you have a proper method of dealing with the persons who fall out of insurance or who are otherwise outside it. I mean to say you had better keep the scheme as it is rather than relegate the people outside insurance to the Poor Law or anything that is unsatisfactory. In fact I do not think you will be able to do it, politically.

I think you might now pass to the part of your paper which begins on page 279 and which deals with the alternative to insurance benefit for those outside a reformed insurance scheme. That is an important and a very difficult subject?—Yes. First I deal, you see, with the suggestion of relegating them to the Poor Law, but I assume that any idea of relegating them to the Poor Law has now been given up, so that perhaps there is no use going on with that objection. There is no proposal to throw them back on to the Poor Law I imagine.

We shall have to deal with that in our Report?—It seems to me absolutely fatal if you attempt to do that. There is, to begin with, the problem of the incidence of the cost. You would have a Local Authority where practically the whole place is bankrupt. Then you must give a huge Grant in Aid and you get an irresponsible administration. I cannot imagine that any Government in its senses would do it.

Of course, in our first Report we dealt with that?—Yes, you showed that it was impossible. It must be a national service. It cannot be a local service because of the widely divergent incidence of the cost, and also because you would get treatment varying according to the party which was in power on the Local Authority. . . . .

That leads to a very important thing [the question of public works]—whether you should provide maintenance or whether you should provide work, or if you cannot provide work entirely, whether you should provide part maintenance and part work?—You must remember that providing work costs an enormous amount of money relative to the persons you deal with. I have forgotten what it is but I think it is about £1,000,000 per annum for every 4,000 persons.

That is so?—Then whether public works are desirable or not depends, of course, on whether that is the most profitable way of using that particular amount of the capital of the country. My contention is that if the Public Authority has no control over the disposition of the available capital—the general disposition of the nation's capital—and is restricted to all the unprofitable things—things which are not economically profitable—it is very unlikely actually to increase the aggregate volume of employment, it may even result in lessening employment in the aggregate.

Yes, that is in relation to semi-public work—like making roads and that sort of thing. But if we are to have persons—and it rather looks as if we shall in the future—who will be more or less permanently unemployed, a very different problem faces us, does it not?—Yes, it does.

That is whether the Government ought not to enter into some form of industry or endeavour to found some industry in order to find employment for men who cannot find work in the ordinary industrial field?—Yes, I think there is something to be said for Mr. Cole's suggestion of a National Labour Corps, a corps of people who would be used by the Government for doing useful things which would not be done by capitalist enterprise. But you must remember that you may be doing useless things, and when we are short of capital to do what is useful it would be rather a mistake to spend it on doing what is useless.

The work must be productive?—And that is the difficulty. If you have only got control over that part of industry which is least profitable and least useful to the community then it is very doubtful whether you should raise by taxation money to employ people on those unprofitable tasks. I may suggest that to-day we are actually stopping public work which we know to be useful. It is a ridiculous state of affairs to-day because the Government is actually stopping public work which would give employment, and which we know to be useful and essential to the welfare of the community—work like housing. The amazing change of

public opinion on that subject is most disconcerting because a year or two years ago the then Government was abused by the Liberals—and even by the Tories—for not providing enough public works for the unemployed—that is for not executing public works which were not necessarily the right method of spending capital, but here we are to-day actually advising every local authority to stop doing things which, besides giving employment, are actually essential to the welfare of the community. It is a mad position—it is like the action of people in a madhouse.

I am not expressing an opinion upon it but I suppose the argument would be that if you are making roads it might be very useful but that it would be better to use the money in some more productive form of labour?—Yes, but I am saying that housing, which is absolutely necessary, has been stopped, the building of schools, which is absolutely necessary, has been stopped. I quite agree that the £200,000,000 that we have spent on roads during the past few years may have been rather a misuse of capital.

Your argument is that money should be spent on the building of houses and schools?—Yes, here we are stopping things which we know improve health merely because the people who are able to pay Income Tax wish to have it reduced.

Yes. Then we come to the "needs" test?—Yes.

Your paper was written before the recent turn in affairs with regard to the "means" test?—Yes. I do not understand what is proposed by the Ministry of Labour in these new regulations. Because the whole difference is whether you are going to use the means test as a way of restricting unemployment benefit to cases of destitution or not. The distinction between the Old Age Pension system for instance—the test by which it is determined whether a person shall have an Old Age Pension or not, and the Test of Destitution under the Poor Law system, is enormous. I propose that the "means" test should follow the lines of the "means" test for Old Age Pensions, not those of the "means" test of Poor Law relief. But I cannot make out from these orders which the Government intend—I do not know in the least.

No, in those circumstances we would like you to make clear what your proposals are so that they may be made public?—Yes. You see from my Memorandum that my proposals—of course I do not dogmatise about them—are on some such lines as the lines which are pursued with regard to Old Age Pensions. That is you regard the income and not the assets, the person himself and not those under liability to maintain him if he is destitute; and only such income as actually comes from dependants. However, the essential point is that the test should be on the lines of the Old Age Pensions rather than on the lines of that used by the Public Assistance Authority in the relief of destitution.

Then you take the household and ascertain the wants of the household?—I have tried to work it out in my Memorandum. You will notice I am very bad at arithmetic but I think in the case I give the whole family income would be about £3 2*s*.

Yes, the effect of it I think is this: you take the household of a man unemployed.

You ascertain for the purposes of subsistence what that household consists of. Then you say that is one side of the balance sheet, that is what he wants. Then you enquire what is being provided by himself or by his household and you strike a balance and say the difference between the figures ought to be provided by the State?—Yes. But what I want also to point out here is that if you leave the administration of this "means" test to local authorities, such as the Public Assistance Authorities, they will interpret it in very different ways, and I do not see from these Orders that there is even any attempt to make them all interpret it in the same way. I fear that such an attempt would be in vain because each of them would insist on interpreting it in a way which would conform to their own notions of social expediency.

I gather you think there must be a "means" test but that you think that it ought not to be carried out by the Public Assistance Authorities?—Yes, I think it is very shortsighted of the Treasury from the point of view of expenditure, because it is obviously to the pecuniary interest of the Local Authorities to assess the needs of the unemployed as high as possible so that they will not come on the Poor Rate. As a matter of fact while the London County Council's Public Assistance Committee have made very severe restrictions, the Sub-Committee in Poplar would be likely to assess very casually up to the maximum.

Is it your opinion that the "means" test ought to be applied at the Labour Exchanges?—I think that that is the only place in which, being under direct national control, it can be uniformly applied and you see the tremendous advantage that you would have if you had a proper National Register of the whole population. . . . .

Now is there any other point you desire to put before us?—"The requirement that the recipient of subsistence allowance should place his normal working time at the disposal of the Ministry of Employment." I think that that is of the greatest importance.

What does that exactly mean?—It means that any one applying for subsistence outside unemployment insurance would have to make it clear that he was willing to accept some sort of occupation during working hours. . . . .

That means this, does it not, that supposing a man is receiving subsistence, as you put it, from the State, he must place himself in the hands of the Ministry to go to any reasonable occupation?—Yes.

And go to any place in the State that he is required to?—Yes, but of course there would have to be the usual conditions as to wages if it was a job that he was sent to. You would not expect him to take wages below the regular wages of the Wages Board or below the customary rates under the Fair Wages Clause. There are already regulations about that. Obviously such employment could not be made a pretence for an employer getting exempted from the requirements of the Wages Board, any more than from those of the Factory Acts.

First of all he must place himself at the service of the Ministry to go into employment at the usual wages in the trade and the next step would be that if he has received subsistence wages for any length of time he has to earn the money that has been paid

in working so many hours a week?—Your question seems to depend on whether there was some public work available or not. If there was public work he would have to go to the public work. The question is what would be the method of treating him—whether you could offer him work in some cases by having a National Labour corps to whom you could send him and in which he would earn his wages. But supposing you could not offer him work you would then offer him training of some sort or another. You would probably at once take the young people out of the employment field and offer them training.

Yes, I follow that?—May I say that if you have this systematic training of people who are out of work the present condition of men at 40 or 45 being no longer fit for work would be very largely altered and remedied. Such men would have learnt, in their periods of unemployment, to adjust themselves—they would be kept physically fit; they would be kept up to factory speed; they would have learnt other ways of using their hands. The point I want most to emphasise is that there are very few men who can live undeteriorated without occupation somehow prescribed for them.

Yes, thank you very much. Then you pass [p. 290] to another subject under the heading of: "Scheme of treatment for the unemployed outside insurance"?—Yes. Here I try to give various suggestions. As I say you cannot foresee what the technique of this will be. This is a mere forecast; I am merely giving suggestions. You may discover a great many other ways of dealing with it but I am quite sure you could do a lot in the way of general training, even for part of the time, with a course of mental arithmetic—anything you like—Swedish drill exercises, anything which improves their muscles and improves their brains.

That has been found to be an advantage from experience?—Yes. I may say that the Germans have a great development of stadiums. The unemployed not only constructed the stadiums, but also are bound to be in the stadiums doing all these sorts of exercises. Some people say that it is another way of compulsory military service, but at any rate it is bringing them under discipline and training them by physical exercises. They have sports—I do not mind if they learn to act or to dance, or anything you like, but teach them something and keep them at it for the time that would otherwise be spent in idleness.

Giving brain and muscles exercise?—Yes, otherwise you get a deteriorated population, and the more permanent unemployment becomes the more essential it is to treat the unemployed in some such way.

Then you deal with "Occupation Centres"—I do not think we need to ask you to touch further on that unless you desire to do so?—No.

Then [p. 292] you have two paragraphs dealing with "The objections to new expenditure on the unemployed on the grounds of economy." I do not know whether you desire to say something about that?—I should like to point out that there are two ways by which you can save by always giving the unemployed person some sort of occupation, some sort of training. First of all you will choke off persons who are not requiring allowances or requiring subsistence. There are a certain number of those people, so you will limit the number of persons dealt with. Of

course, this is more expensive per head than simply giving them unconditional out-door relief. If you simply give them that dole it is the cheapest way that you can deal with each unemployed man. If you are regardless of the numbers you will have to deal with undoubtedly it is the cheapest way, and that is why short sighted people like it. But it is the most extravagant way in the long run, because you will have a great many more people claiming this out-door relief. Secondly, you will be deteriorating those people who have a right to claim it—you will be destroying your population.

My colleagues will want to ask you questions, but I should like you to refer to the final paragraph of your evidence and draw the attention of the members here to it. You say: "From this standpoint we see two significant criticisms on the Nation's treatment of the unemployed. In the first place nothing could well be more extravagant for the nation than letting any large section of its producing population become deteriorated in health and in industrial efficiency. We must accordingly maintain the unemployed. In the second place, we must equally condemn as extravagant the adoption of any plan of maintaining the unemployed, that causes, even if only among an appreciable proportion of them, a deterioration of character. Tested by this criticism, a scheme of unemployment insurance meets with approval, but only within very definite and even narrow limits. Tested by the same criticism, any universal provision of maintenance in idleness (apart from insurance in its limited sphere) stands condemned as seriously extravagant; and the adoption of any such scheme 'because it is the cheapest per head' can proceed only from an ignorance which is the worst extravagance of all. Tested in the same way, the additional expenditure necessarily incurred in exacting, as a condition of maintenance, the surrender of the normal working time, seems to me, as we have got the unemployed on our hands, an expenditure which is the truest National Economy"?—Yes.

That sums up your views?—Yes, that sums up my feeling about it—that once you give up the idea that you are going to let the unemployed die of starvation you have got to go in for the wise treatment of them.

MRS. RACKHAM [a member of the commission]: *I think you state [at the beginning of page 273] that you thought that it was essential to any scheme of unemployment insurance that the use of the Exchanges should be compulsory?*—Yes.

Could you tell us why you thought that essential?—Well, otherwise you cannot test properly a person's willingness to work. Also you get the employers going in for all sorts of methods of taking on and using the worker which are not desirable. You see you have it already with regard to the whole Mercantile Marine—all engagements are made through the Mercantile Marine offices which are, for this industry, virtually Labour Exchanges and no engagements can be made otherwise.

And do you think more can be done by extending the compulsion to use the Labour Exchange?—Yes, I think it would be enormously effective from the point of view of checking any kind of voluntary unemployment, because, at present, it is very difficult to find out whether a man is genuinely seeking work. You have got the man going round getting signatures, and so on—you can not check it,

and, indeed, this bad system of "hawking labour" was actually insisted on. But if you had every single situation that was vacant on your books you would know whether the man was willing to accept work or not.

And do you think that it is practicable to make it compulsory?—Absolutely, I do not think there is the slightest difficulty about it—it is only a question of compulsion. The employers in the Mercantile Marine find no difficulty—the Mercantile Marine has had to do it for many years, and makes no objection to it.

You set out the objections to the means test [p. 275]—the advantage of being able to do without it?—Yes.

And you point out that it is a discouragement to earning and a discouragement to saving?—Yes.

I do not quite see why all those objections do not apply when persons have passed out of the insurance scheme?—Because another and more important consideration comes in. You see with regard to any proposal it has its own law of diminishing return, and its own margin of cultivation like everything else; and at a point where other considerations come in, like deterioration of character and the impossibility of checking voluntary unemployment the principle of freedom has to give way. It is all a question of relative importance at any particular point and in any particular circumstances—which principle, which expedient, is the more important. It is desirable that a person should have personal freedom, but it is not desirable if this leads, under certain circumstances, to great deterioration of character. It is all a question at what point the principle comes to its own margin of cultivation.

Do you think that the objections would still obtain?—Yes, I think that directly you extend it beyond a certain point unemployment insurance runs up against objections which far outweigh the advantages of any additional personal freedom.

I see your point about personal freedom with regard to training, and so on, but I do not see why it applies to the means test, or why it is not discouraging to saving?—To give subsistence, whether a person has been thrifty or not is discouraging—there is no doubt about it—to thrift. To give subsistence irrespective of the thrift of the person is discouraging to thrift, but you have got to do it because you cannot let the man starve. You have got to do it because at that point the principle of keeping a man from starvation is more important than the principle of not discouraging thrift. It is a superior necessity and you have got to do it.

I think you say, yourself, that the best way to encourage thrift is to give an all-round flat rate?—But then, as I say, if you extend insurance beyond a certain period you run into the danger of creating voluntary unemployment—you cannot afford to do it, at least that is my argument.

Then with regard to the sum to be paid away whether it is benefit or maintenance you said one of the difficulties was to keep it below wages when wages are low?—Yes.

But when you come to maintenance would you necessarily keep that below wages?—As a matter of fact, if you have the power to compel a man to give his whole time either for work or for training you need not keep the subsistence allowance

so much below wages as you do in unemployment insurance—in fact, you could afford to give him more because you would have a complete disposal of his time. You cannot give more than the current rate of wages because he would then tend to be always on your hands—that is the difficulty. To put it quite frankly, I do not think you can afford to keep up the current rate of wages by the indirect way of giving subsistence without work. You ought to keep up rates of wages in another way, namely, by law or by Trade Union regulation. That is the difficulty. That is one of the dilemmas. You are in the dilemma in the competitive system of having people who are not earning, even if they give their whole time, a sufficient wage to keep them in health and efficiency. If you give them as subsistence allowance a larger sum than they are earning as wages, many of them will inevitably give up working and go on your unemployment fund. That is a very extravagant proceeding on behalf of the community at large. Better regulate the rates of wages by Wages Boards. That is the proper way to deal with that subject. I think that the attempt to keep up rates of wages by doles is a mistaken method. You ought to keep up the rates of wages by proper regulations.

The difficulty would be in giving adequate maintenance in return for a man doing a full day's work?—Then I should prefer to let the fixed subsistence allowance be supplemented by some form of public assistance for the children. I am in favour of children's allowances generally. That is another matter. But so long as you have not got a general system of children's allowances I think public assistance should be given in cases in which the family income is insufficient for healthy maintenance.

You think that if any family wants more than the average wages . . . . ?—Yes, they should go to the Public Assistance Authority. I see no way out of it. You cannot afford to give subsistence allowance superior to the wage that is given in the market, and yet you cannot afford to let the children starve or even suffer in health. But, by the way, you provide for that even if the man is working, but earning insufficient wages—you give them school dinners.

Sometimes?—Yes—at least the law says you ought to, that is the duty of the local Education Authority. On general lines I think that it is a mistake to try to fulfil by means of the dole the needs which ought to be fulfilled by the Public Health Authority and the Local Education Authority.

Then you think you would keep the upper limit of your maintenance about the same as unemployment benefit?—Yes, that is what I propose as the easiest thing to do—I do not know that it is exactly the right sum but it is the easiest thing to do; it does not raise new controversy.

If a person was working short-time in a factory and getting about half a week's wages how would you deal with that under your scheme?—That is a very difficult question to answer, but, of course, under the present scheme they would get an allowance—whether it is the right way I do not know but at present they do get an allowance to make up their earnings under short-time. I have my doubts whether this is the right way, but it is the present way, and it is the proposal under the new transitional benefit, apparently, because the Orders expressly say

that if they get a day's work the sum given is to be five-sixths of the full subsistence allowance. The Order thus admits that short-time is to be subsidised.

But you would not like to go back to the days when the casual labourer and the short-time worker simply lived on what they could earn?—Oh, no, I think you ought to de-casualise all employment by appropriate regulations.

With regard to short-time, employers have been encouraged to go on to short-time in the past?—Yes, I know they have. Well, I am not prepared to give an opinion here about such encouragement.

Do you think that the means test would be applied at the Employment Exchange by the applicant making a statement with regard to his means?—Yes, as an initial preliminary, but of course there would have to be inquiry also. There again you would be enormously helped by a National Register from which you could ascertain what I may call the industrial character of the person at once.

You do not think there is any disadvantage in doing that at an Employment Exchange where the main object is work finding?—Well, the Exchange or the Ministry of Labour might use the Old Age Pension Officers—that is a feasible proposition. Both sets of beneficiaries would be getting National Pensions or allowances; not local pensions or allowances. I should prefer the Old Age Pension Officers to the Public Assistance Officers, and I am sure it would produce better results.

The scheme you give us here for the people who have fallen out of insurance is very much the scheme that is given in your Minority Report for all the unemployed?—Yes.

In the example that you give [p. 288], how is the subsistence rate arrived at?—You mean the amount they are to get from the Labour Exchange. You will see I merely give the subsistence rate according to the existing unemployment insurance, I think.

It is not quite the same?—Well, anyhow it is somewhere near. You had to assume something, and I had to assume that.

CHAIRMAN: *A hypothetical figure?*—A hypothetical figure. I had to give some hypothetical figure. What I was keen about was to show the deductions to be made for other income, for instance—you would not take the whole of a son's earnings and so on—it is worked out you see at about £3 2*s.*—for how many people?

MRS. RACKHAM: *Six people?*—That is 10*s.* per week each—which is often taken as the proper amount per person for subsistence.

That is to cover rent as well, is it not?—Rental value of house occupied 15*s.* per week, less Building Society payments or mortgage interest, 10*s.* per week, balance 5*s.* reckoned as income. You see I have covered the rent there.

Yes, it includes the rent?—Yes.

This is not really on the lines of the means test of the non-contributory Old Age Pensions because that is only personal income. It does not take into account the income of anyone else in the house?—I think it does take into account the profit on lodgers because I had a case the other day of that sort.

That would be regarded as earnings but it would not take into consideration the income of a son or a daughter?—No, unless he was a lodger—a profitable lodger, or a dependant living at home.

Quite.—If he is a dependant living away from home it would not but if he is living at home he would be treated as if he were a profitable lodger. I cannot tell you exactly what happens under the Old Age Pensions Act, but I know if there is any profit coming in that is taken into account. It would rather depend on what age the son was and whether his earnings only covered his maintenance and so on.

But it is a different thing when it is personal income and when you are taking into consideration the whole income of the household?—I agree but it is a question of definition of what is "personal."

MR. LASCELLES [another member of the commission]: *You would propose that they should be excluded by the Act or that there should be some Authority which would have some power to exclude* [*p. 279*]. *I had in mind that the Authority which would exclude would have the power to make a bargain perhaps?*—Well, that rather depends on whether you do it by legislation or not—I mean to say whether you are going to amend your Insurance Act. I suppose you would have to amend your Insurance Act by legislation, would not you?

Yes?—Then you would start afresh. I do not know how you would do it but I suppose you would amend it by legislation. You could not do it otherwise. Then you would start with a new Act and, therefore, start with certain industries outside insurance.

I do not know whether you had in mind some Authority—a Minister or some sort of Council which would have authority to make terms with particular industries?—Well, that might be so—it depends on what sort of body you would set up.

Then [*in paragraph 1, p. 283*] *you exclude all people who are not capable of work?*—Yes.

Have you in mind any definition of what "capable of work" would mean?—I am afraid that that would have to be an administrative decision, as I have suggested, would it not?

You think it would mean that people about whom there was some doubt would come before some sort of tribunal?—Again I return to my National Register, look up their record and see what has happened during the last 30 years or so.

CHAIRMAN: *Mr. Lascelles is asking, I think, who would decide?*—Of course, the Minister of Employment, or one of his officials, subject to his ratification.

MR. LASCELLES: *It would not be a purely medical question?*—They might call in a medical man or a mental specialist. They would decide each case on evidence—it would be the appropriate official of the Ministry of Employment who would take evidence on the matter. I mean to say he would get a Health Certificate of the person; he would see his health record and health insurance record; he would get the employment record; he would, if necessary, have him specially examined as they do for War Pensions.

It would be a matter for decision by some authority or tribunal on all the evidence?—The Ministry of Employment would decide it; the Ministry of Em-

ployment would decide whether he came, or she came, within the category of acceptable people or not, in fact, within the employment field. If not such persons would go automatically to the Public Assistance Authority, which would have to deal with them according to law.

Then [on page 280] you give your reasons for not referring or sending back claimants from the Insurance Scheme to the Poor Law?—Yes.

If those objections to the Poor Law administration were removed by reform of the Poor Law, do you think there would be any objection then to the Poor Law Authorities acting, where necessary, as agents for the Ministry of Employment?—It depends entirely on whether your reforms went the length of making a National Authority for Poor Law and destroyed the present Public Assistance Authorities. It must be national with regard to unemployment. Many of us think that local authorities are obsolete for most of the new services just because the local authorities are local, and one of such new services is that of dealing with unemployment whilst other similar cases are power and electricity. I say it is a question of where the incidence of cost falls, and also of the area which it is desirable to have for administrative purposes in such service—whether it is to be run by a national authority or by a local authority. With regard to unemployment, what is needed is obviously a national authority, as I think it is with water and power and transport.

But existing machinery might be used under a national authority?—I do not think that any independent local machinery could be used for unemployment insurance because of the extraordinary incidence of cost, when you get unemployment distributed so unevenly amongst the areas of the different local authorities. If that involves, as it must, an equivalent grant in aid, then you get the local authority dispensing funds which it has not raised, which is a vicious principle except to a very limited extent.

Do you think the actual staff and offices of the Local Authority could be used?—That is for the Ministry of Employment to decide. I think it would be better to use some service which is directly in the pay of the State, like the Old Age Pensions staff.

That might mean setting up a rather big piece of machinery?—I wonder whether you are not setting up an equally big piece of machinery by sending it to the Public Assistance Authorities, because the alternative is to send many hundreds of thousands of new people to the Public Assistance Authorities, which must engage an even larger additional staff. Surely the great objection to using the local authority is that their pecuniary interest will be to be very liberal with the Government money, in order to save their own Poor Rate—that is their pecuniary interest. Then you get their class bias. You would have in some areas a bias on the part of the employer class, and in others on the part of the wage-earning electorate, and therefore you would get an unequal administration in different areas.

I have in mind all possible uses of the local authorities' organisation without using a national body?—But my experience is that when the State has to pay,

it had much better use the officials whom it directly controls rather than the officials whom it does not control. As I say, the service is so stupendous that you would have to set up at least as large a body of new officials as you would if you did it through another channel.

One point on page 288 about the scale of assistance and the "means" test. How do you propose to deal with the rent of the person relieved or assisted?—Of course, that is a very difficult question to answer, because you want to be very well versed in all the details of the cases. The necessary rent is simply a part of the cost of subsistence. You had to deal with that with the Old Age Pensions Act. I mean to say if the claimants are themselves occupying an extravagant house which they might let, they do not necessarily get the full Old Age Pension.

I was wondering whether you would provide for the payment of rent as part of the scale of subsistence?—I really have no opinion about that—it is a question of experience.

It is rather a difficult matter that rents vary so much?—Yes, but that is a question of technique that I am not competent to answer. Whatever rent is locally exacted forms part of the cost of living. I do not know the alternative way of doing it.

There is one question arising on page 288, and that is the kind of things to be done with the people who put their working time at the disposal of the Minister of Employment. The experience of the Ministry of Labour has been that they hesitate to put people into training unless they feel that there is some good prospect of employment afterwards?—I think that that is a mistaken feeling. The provision of training is for the purpose of preventing deterioration by idleness. It has nothing to do with preventing future unemployment. The question is what effect it has on the person, and in preventing unnecessary claims.

They think that it has a bad effect—the actual technical training—if they are not training for some particular work?—The question always is, what is the alternative to not giving them training or otherwise occupying their time?

That is what I wondered. Assuming that the technical training is a rather small matter and that the provision of work as a rule is pick and shovel work for which only a comparatively small number of people are suitable, it would mean, would it not, that the other men on the Register have got either to do physical drill or something in the nature of Educational classes, and you think that that would be enough to start with?—I think you would have to start with anything you can devise; you have to go on and see what happens. But why should it be assumed that the provision of education is a small matter. We could all do with more education.

But you would have no objection to starting a scheme knowing that most of the people would have to do physical drill?—Yes, so long as you begin, I do not mind what you do. With regard to public health you had to begin with giving Dover's powders for cholera. You found that this did not succeed, and you presently discovered that it was the water that was wrong, and the drainage.

DR. HETHERINGTON: *May I just take up that last point, Mrs. Webb?*—Yes.

You have laid great stress, both in your Memorandum and in what you have been saying to us this morning, on the importance of requiring work of some kind?—Yes, that is to say, some occupation.

You say in some form or another it can be used as a test?—Yes.

I agree with the principle that is implied in that. My real difficulty is in determining whether it is safe or expedient to apply that principle at the risk of making it, in practice, a formality. You are going to deal, as you tell us, with some thousands of people, all of whom are theoretically to be required to surrender a considerable part of their time in return for this State maintenance?—Yes.

We prescribe that, we lay it down as a condition of their receiving State maintenance?—Yes.

A lively and imaginative official will be able to make it a reality in a certain number of cases?—Yes.

But in a very large number of cases—and almost wholly in certain areas—it will tend to remain a formality—it will tend to remain a requirement merely?—Yes.

You still think it is worth doing even at the risk of its falling into desuetude?—You must do your best to see that it does not fall into desuetude, but you will not do the job at all if you do not begin by doing something. The fact that a medical examination may often be perfunctory does not make the medical examination less valuable—I mean to say that it does not make the principle of a medical examination less valuable. That is a very good example because you do at present require a medical examination, and it is often perfunctory, but that is no reason against having a medical examination. The business of the Ministry of Labour is to make the provision of occupation effective. That is one reason why you cannot delegate the duty to Local Authorities.

It would be rather an objection if the medical examinations were found to be perfunctory in 95 per cent of the cases?—Yes, but I do not think that that negatives the proposal—it merely makes it more difficult to apply, that is all. No one would propose to dispense with a medical certificate.

Yes, but if the difficulty of applying it is so great—to judge by our experience—anxious as one is to apply the principle, and fundamental as I think I recognize it to be . . . .?—You demur?

Well, I just want to ask you—you think the principle is so important that it is worth asserting even at the risk of breaking down?—Yes, certainly. I think the principle of requiring a man to give his whole time in return for subsistence is so important that I do not mind its failing in the first instance to the extent of 50 per cent. But, of course, I should take precious good care that it did not fail.

It might fail much more than that?—Well, 70 per cent. But I say again that the principle of having a medical examination had to be tried. It is very likely that the first medical examinations were very bad, very perfunctory, and quite false, but that did not vitiate the importance of starting medical certificates.

May I pursue one little detail on that point? Have you in mind something like this: a local authority wants to initiate work which is not strictly economic. It is

work which, perhaps, could not be started because of shortage of capital in the ordinary way, but the authority might use some of the unemployed who are, for the purposes of the argument, under the control of the National Authority, in this way?—Yes.

It might use them almost without cost, in the sense that if they were paid standard rates—suppose it was 1s. an hour, for the sake of easy arithmetic—and a man's benefit is computed as you have done at 25s. a week, he could be required to give 25 hours of work?—And the National Authority pay the bill?

Yes?—Well, that gives to the National Authority substantially the duty of prescribing or authorising a particular type of public work.

Yes?—Well, that depends on whether those works will employ or not employ additional persons to those already employed, or whether they will, somewhere in the Kingdom, supersede the employment of other people. Now that depends on the wise allocation of the national capital—of the nation's capital equipment.

I was not raising the question as to the character of the work so much as the principle?—The local authority doing the work at the cost of the National Authority, you mean?

Yes, and requiring, as a condition for the receipt of this maintenance, work, paid for at something approximating to the standard rates?—Yes, of course I provide for all that. The National Authority, under my scheme, would be perfectly justified in saying to a man "You can work for wages for such and such a local authority"; as far as the man is concerned there would be nothing outside my scheme. Whether it is desirable that the National Exchequer should, out of national taxation, subsidise a particular local work is another matter. You might have to take into consideration the whole circumstances of the case.

I am not so much concerned with that aspect of the case?—The man would have to go to the work, obviously.

Obviously, and give a return in the form of work paid for at the ordinary rates?—Oh, perfectly. There is no reason against it at all except the enormous expense. That would be the best solution if it were otherwise desirable.

You told us, I think, in reply to Mr. Lascelles that you can conceive it to be possible that the machinery of the existing local authorities should be used in connection with this scheme of relief, provided that the reform is very wide?—Yes.

And substantial. Do you think it politically possible—I think you used the phrase yourself in your evidence?—Yes.

Is part of the objection to sending the unemployed, outside the insurance scheme, to the local authorities, a political objection?—Yes, if it is not the Poor Law Authority. . . . .

Do you think that the objection would remain supposing that the particular difficulties to which you have referred—the particular points of criticism—were removed by a reform of the Poor Law?—I should want to know what the reform was. I could not possibly answer that question until I knew what the reform was. You see that this is largely a question of the incidence of taxation. There is also the question of conducting the public service in the best possible way from the point of view of results. Well now, I do not see my way to have any local ad-

ministration of unemployment relief because the incidence of the cost is too extravagantly different in the various districts, and I do not approve of a local authority spending money which it has not raised, or any part of which it has not raised. That is one reason and then there is another reason from the point of view of employing the unemployed—you may want to shift your unemployed all over the place, and the public service connected with unemployment, or the public service connected with water or power and some other things, is not a proper service to be conducted by local authorities just because they are all restricted in area, which is never the appropriate area for all the services in question. Local authorities are obsolete for those purposes and, to that extent, they ought to be swept away, and those particular services ought to be done by a national authority.

Yes, I see those objections but I am putting the hypothesis that by some device it can be done. We have to consider various ways of doing it. You can get rid, more or less, of these administrative difficulties?—That I wonder. That you have to prove. I have not seen a scheme which gets rid of the administrative difficulties.

Let us assume that it can be done?—But I will not assume it; I do not assume it; I will never assume a thing until I have seen it.

Well, I do not assume it either?—That is the crucial point—you cannot assume it, because there is no evidence for such an assumption.

Let us set aside the question?—I cannot set aside the question unless you show me that it is irrelevant.

It is irrelevant to the point that I want to make?—Well, well!

The point is, whether there is, in addition to those difficulties, some other difficulty in the way of sentiment or political feeling?—I do not think there is, apart from the Poor Law, much feeling in favour of local authorities or against them. Frankly I do not think the majority of people care a hang whether it is a central authority or a local authority. What they want to know is what they are getting out of it, whether in public service or money.

That is precisely the point I wanted to elucidate. May I come to one or two more or less questions of detail with reference to what you have called the Insurance Scheme? In your Memorandum you have told us that if we were to begin on level ground again you would not start with an insurance scheme of the present type and that you would prefer a subsidised Trade Union scheme?—Yes.

Do you think that the reasonable objective towards which we ought to work is the gradual elimination of a universal State Insurance scheme and the gradual substitution of a subsidised Trade Union scheme?—Your subsidised Trade Union scheme would have to be very restrictive. In the first place fewer than one-third of the wage earners are in Trade Unions at all; moreover all Trade Unions do not undertake insurance work, and the more you give in the way of subsistence and training the less they will do it. Then there is another grave danger about the subsidising of Trade Unions which I had not quite realised when I suggested it, and that is that they may give the State allowance as an addition to their own out-of-work pay. This has actually happened through sheer lack of intelligence and then

you get the serious drawback of giving higher allowances when they are out of work than they earn when they are in work. That did happen. I had not thought of that when I originally suggested it, but there is that danger. You would have to insist that the Trade Union did not give the State out-of-work pay in addition to their own out-of-work pay so as to make the payment more than the men would naturally earn. I think that the Trade Unions themselves would have corrected that in time because they would have found that their out-of-work pay would increase to such an extent that they would be swamped by voluntary unemployment. But that is a danger that you would have to be protected against. I think now, considering the abnormal character of the unemployment of to-day, that the Trade Unions would probably not go in for out-of-work pay at all because unemployment is becoming permanent in certain trades. Then remember that neither coal nor cotton has ever had out-of-work pay. It was a very limited number of trades that had it, and I may remark that it was only those trades which suffered specially from short spells of unemployment. We do not know what features are going to be characteristic of the unemployment of the future. It may be that the unemployment of the future is going to be permanent in certain trades and industries.

You think that the practical thing to do is gradually to replace the State system by the voluntary system?—I think that any voluntary system now would have grave dangers to face. I think you might subsidise such Trade Unions as are still under the old conditions, but there are very few of them.

And those who originally provided for the administration of unemployment benefit through their Trades Unions have been diminishing in numbers?—Yes, but remember that at all periods you had the whole of the coal trade and the whole of the cotton trade, and the whole of the dock labourers outside. It was only just the engineers and a few others that had out-of-work pay: some of the builders' operatives also, but not most of them.

The original condition, as far as I remember, was that they were required to supplement the State Benefit by something of their own in order to guarantee successful administration?—Yes.

But you see difficulties in the further application of that principle?—Yes, I see difficulties in that respect, but I repeat that as we have got State Insurance, I should be prepared to keep to it for a limited period.

You have pointed out that the intervention of a third party—namely, the State—destroys the whole insurance basis of the thing?—Yes.

Then do you want to abolish the State contribution?—No. I do not think you would get any advantage out of it if you abolished the State contribution, but if you left the provision against unemployment entirely to the Trade Unions concerned it would be very disjointed, it would be very casual and quite small in extent.

You think that we must keep to the structure of the present scheme?—I think that on any other system of insurance, if you admit that the State has to support the unemployed in the last resort, presently there would be a stoppage of work, or

trade would shift to some other centre, and you would find the unemployed people on your hands again.

Then we must keep to the structure of the present scheme?—Yes, and develop a new administration under a Ministry of Employment to deal with all possible difficulties of unemployment. A properly organised Ministry of Employment might safely provide a maintenance even more generous than unemployment insurance on the condition that the recipients are required to spend their time in the service of the community, either in work or training.

Then may I just put one last point to you about short-time. You have recommended us to exclude from the scope of the insurance scheme all occupations which habitually work under conditions of casual employment or short-time employment?—Yes.

I take it that you do not mean that all forms of short-time work are to be excluded from the working of the insurance scheme?—No, that is a technical question which I have no opinion about. I have not studied all the various forms of short-time employment. I should say that what is important is that when an industry has a method of employment which is against the public interest you should not subsidise it. Whether this or that method is against the public interest is a technical question which I cannot determine.

MR. TROUNCER: *I should like to say on your criticisms on the use of the word "actuarial" that I entirely agree?*—I am glad of that.

And that when you talk about the scheme being "actuarially sound" and "on an actuarial basis" and so on, it is using something that you are really not familiar with, like the blessed word "Mesopotamia," but if you said it was arithmetically sound . . . . ?—I say you ought to have a balanced budget. It does not matter how you balance it but you ought to have that.

It is to the question of a balanced budget that I do want to refer. At present whatever you think of the scheme of the Poor Law, from the financial point of view, of course, it does result in a saving, does it not? If you take people who fall out of insurance, then, if the stigma of the Poor Law is effective it will result in a very strong urge to work, and to find something to enable a man to keep his self-respect?—No, the difficulty about that is this. I do not think that in the Welsh Mining Villages there is much Poor Law stigma. I think it has become a matter of habit to take the Poor Relief allowance. But much the worst thing is that if you count on that stigma to keep down your numbers you will, in most parts of the country, be refusing relief to the finest part of your population and giving it to your lowest, because the lowest part will not deem it a stigma and the finest part will.

I am not disagreeing here. I am simply wanting to know if, in your suggestion of this subsistence for a very much larger number than at present, you would restrict insurance proper if your condition of surrendering freedom was that a man should be prepared to undertake any form of work or training?—My answer is Yes. In fact, all the wage earners are under economic obligation to accept whatever work they can get.

But you rely on that condition to help the financial side?—Yes.

You really think that that would be effective?—I think it would be effective wherever it ought to be effective, which is the great point—that wherever a man had means and could subsist without the work he would not accept that condition unless he really felt the need of further training, which is unfortunately rarely the case. It would not be effective towards men who really wanted to work and who might not willingly go to the Poor Law but would accept the condition of training.

On the principle I am inclined to agree, but my difficulty occurs in the application. It seems to me that you would have such an enormous number of people to deal with that you could not apply the test that you want to, and that you would be swamped?—Yes, the task is one of difficulty, but at present you are applying no test. I am only suggesting a thing that makes it safer. At present you are applying no test at all.

Except that there is the stigma of the Poor Law?—These transitional benefit people are not going on Poor Relief. The Government are not sending them to the Poor Law. All they have done is to have the Public Assistance Authority brought in to assess their needs. The Public Assistance Authorities are not going to support them. The decision of the present Government is that the transitional benefit people should not be made paupers or in any way brought within the Poor Law. All they are doing to is make use of the Public Assistance Authorities to assess their means. These Authorities are not going to pay them; the unemployed are not going to become paupers. They are going to be paid at the Labour Exchange from national funds under the Ministry of Labour. They are to be in the same position as three months ago. There is no change except that there is now this "means" test in order to decide how much each is to receive. It so happens that, as I think very unwisely, and even extravagantly, the Ministry of Labour is going to have the "means" test administered by the Public Assistance Authorities, but these Authorities are not to pay the people and these people are not going to become paupers, or come under the Poor Law.

I am not discussing the present regulations broadly speaking. I am trying to trace the financial effect of the old avoidance of the stigma of the Poor Law and your suggestion as to the urge that a man will have, to do anything rather than take the subsistence allowance, and I think that the numbers you would have to deal with would be so large that it would break down?—Well, you but can apply it from the outset as far as you are able to apply it in each district. At present there is no test applied. What I propose is liberty to apply a test in an ever-increasing number of selected cases in each district according to the opportunities available there and that you would test a man in the first instance—you would test in fact, everybody by demanding from every claimant a declaration that he is willing to take any work or any training that you offer him; and mind you, if you knew that man's record, you could then offer him a place and he would be obliged to take it, or you could offer him training and he would be obliged to take that. You could begin by taking the most urgent cases as you did with the

public health service and you would gradually increase your service as it grew and developed and you found it succeeded.

But I still feel this, that if you are dealing with the enormous numbers you will have, the thing will break down—if you made the subsistence allowance very easy for an enormous number of people?—But you have already done it—you have actually made the transitional benefit very easy for a million people—what is your alternative? You are thinking of a subsistence allowance without any conditions whatever except a "means" test.

Are you speaking of people receiving transitional benefit?—People receiving transitional benefit. At present you are giving those people exactly the same amount that they received as insured people.

I am not speaking of transitional benefit?—What are you speaking of?

I am speaking of everybody else who comes under the subsistence allowance?—But it is only the unemployed people who do come under it, and they are all on transitional benefit.

I thought your scheme involved everybody?—Only the unemployed able-bodied. Sick and infirm people go to the Public Assistance Authorities.

Everybody who is unemployed whether they are in the insurance scheme or not?—They are obliged to be in the insurance scheme if they are employed.

Take the agricultural labourer and domestic servant?—Those have to go to the Poor Law at present.

Yes.—My idea is that they should come in the same class as the transitional benefit people; but the agricultural labourers and domestic servants do not count very much in this problem. The agricultural labourers are evidently coming into the insurance scheme somehow and you have got to deal with them in some way. You cannot go on making distinctions between agricultural labourers and general workers. You cannot permanently put one set of able-bodied men into the Poor Law and put the other into non-Poor Law—to maintain that is politically impossible. Of course what happens now is that an agricultural labourer who is thrown out of work does his best to get even a temporary job in an insured trade. He goes to a public works contractor or a carrier when he is out of work and therefore he is already alternately in and out of the insurance scheme.

Yes, but I do not think you have really answered my point that your suggestions cover such a great many more people who would have to have subsistence allowance subject to your conditions, that if it broke down it would entail an enormous risk and financial responsibility?—The question is how many more people? I think you will have to consider the statistics—that there are comparatively few people subject to unemployment who do not already come into unemployment insurance at one time or another. Remember that unemployment insurance now covers almost everything—with only one or two exceptions—and why you should make a distinction between agricultural labourers who are out of work, and general labourers who are out of work, I cannot conceive. I do not believe that agricultural labourers in health and during their able-bodied period of life

come on to the Poor Law very much. They have a right to receive Poor Law relief when destitute and you would find in that case exactly the extra numbers you ought to have. It would not be a great number.

I think, at present, you would find there were very few in agriculture who do come to the Poor Law. My point is that if you make your subsistence allowance available you might have a great many?—That is just the question, but can you justify the exclusion of agricultural labourers from any scheme? I think you would find it precious difficult to do so. I should like to know from the Ministry of Labour what the numbers are of those who are much subject to unemployment who are excluded from unemployment insurance. I think you would find them very small as most of the excluded occupations are excluded just because they rather optimistically believe that they are never unemployed.

You have answered Mr. Lascelles and Dr. Hetherington on the question of this "means" test and whether it can be worked. You say that it must be worked by a National Authority and not by the local authorities?—I think it would be preferable. I think we shall see by the method of trial and error what happens in the next six months.

Do not you think it must be wasteful—I am looking at finance again—to have two bodies? You are not going to do away with local authorities altogether?—It may be wasteful to have two staffs. I suggest that you have Old Age Pension Officers. Why not employ them and make any needful increase in their numbers? It would be no more expensive than increasing the Public Assistance Authorities staff; indeed, much less.

How are you going to arrange it with the Exchanges? Are you going to use them?—I suggest with all these hundreds of local authorities engaging their separate extra staffs that the Treasury will find it much more expensive than a single national staff. How many Authorities are there? Is it two hundred or more? You are giving them all the chance of making their own appointments. Everyone who knows anything about the history of Local Government knows that usually those chances are accepted, and jobs multiplied.

I should have thought it would have been very much easier to let the Local Authorities carry out the whole thing under certain circumstances?—You mean that you would give them the discretion to decide which claimants to relieve, and let them send the bill to the Treasury—you would hand over some thirty or forty million pounds to the Local Authorities to give away in decisions that you could not control?

I am not at all convinced that you could not control them or that you could not devise some system or grant under which they would have some considerable interest in economy?—And make all the unemployed paupers? I think you would find that the Ministry of Health—and the Local Government Board before them—have tried their level best to issue orders with regard to out-door relief to ensure its being uniformly limited, and they have not prevented an enormously swollen pauperism.

No?—Experience is that you cannot do that by order. Unless the money is

provided by a Local Authority itself, the whole chance of the elected councillors being turned out because of an increase in the rates would be destroyed. The only safeguard against extravagant expenditure would have been taken away—the fear of the ratepayer at the next election.

COUNCILLOR ASBURY: *I was wondering whether you can contemplate a scheme whereby you abolish the present Unemployment Insurance and substitute for it an Employment Tax in the form of a Percentage Tax upon earnings?*—I always object to mixing up the performance of a public service with a particular tax. I like to raise my taxes according to the ability to pay and other circumstances. I do not want because a service is done to one set of people necessarily to levy taxation on the same set of people. I do not see any reason for that. There are two different considerations—what it is desirable that the public should spend on public health and education, and so on; and what is the most efficient way of raising the necessary tax with the least injury to the community.

I venture to suggest that the way it is raised to-day is not a very equitable way. You exact 10d. from the man with £2 a week, and you again exact 10d. from the man who is earning £5 a week?—Yes, I thoroughly disapprove of the incidence of taxation to-day, but there is no reason to put on a tax to-day that will not be desirable to-morrow.

It occurred to me we have to consider the case of the man who is paying 10d. on the £2 that he receives as against the man who pays 10d. for the £5 he receives with the view of making a more equitable contribution towards this particular problem?—I should prefer to tax the whole of the community according to their ability to pay. I do not want to limit any taxation to the class to whom service is given.

My proposal would be to reduce the income limit and then the whole of the community would pay?—Yes, but I should want to regard the revenue as a whole, and also the public services as a separate whole. I do not see why you should allocate a particular tax to a particular service—I do not see any reason for doing that. I am quite prepared to tax the rich in proportion to their ability to pay, and therefore a great deal more than they are now taxed. I think they are absurdly under-taxed compared with the poor, but I should apply the principle all round.

On the question of the supposed stigma of the Poor Law, it is not a question so much of the stigma having been removed as that unemployment insurance is regarded as a right, is it not?—I think people get to consider it as a right, because sometimes it is legally their right. Moreover, if a method of treatment becomes habitual people gradually adapt themselves to it. South Wales miners may think that they have a right to unemployment pay, indeed, Parliament has given them such a right in the Unemployment Insurance scheme, and may justify their claim to Poor Law relief when insurance fails, as if it were ordinary insurance assistance.

It has been suggested that the stigma of the Poor Law has disappeared?—I agree that it has largely disappeared—I am glad in a sense that it has disappeared, but insofar as it exists it does prevent the good man from taking assistance and it

encourages the bad man to ask for it. The stigma is very largely accompanied, or surrounded, by the very unpleasant circumstances by which relief is given by the Poor Law Authorities—that is the indignity of it. I remember sitting on a Board of Guardians when I was a Royal Commissioner and I remember how one of the Guardians called the people who came before the Board "Smith" or "Jones." I said "Why do you call these people by their surnames in that way, are they relations—otherwise you ought to call them 'Mr.' and 'Mrs.' " The whole accompaniment of the Poor Law is degrading. I think it is very largely the circumstances under which the Poor Law has been administered in the past, and the discomforts of it, that maintained the socalled stigma of pauperism.

With regard to the large number of transitional claimants—approaching something like 1,000,000—under the new regulations, is there any essential difference between their being dealt with by the Poor Law Authorities, or under the proposals that have been put into operation?—The present proposals, I do not know how they are going to be worked out.

You have probably observed in the Regulations issued by the Department that the Public Assistance Authorities are expected to deal with them precisely on the same ground as if they were applying for relief?—I agree that, in words, there does not seem much difference—I suppose there is a little difference. You see they are not allowed to test the man in any way. They are not allowed to do a good many things which the Public Assistance Authorities do under the Poor Law. They are not allowed to award the money on loan; they are not allowed to require it to be given in kind. A great many of the conditions under which the Poor Law relief is given are excluded by these orders.

But I venture to think that the inquisition does not disappear?—I agree. I agree that it is different from the procedure of the Public Assistance Authorities under the Poor Law for all sorts of reasons. The unemployed are not made paupers, and they are not subjected to certain indignities which the persons who come for Poor Law relief are habitually subjected to. My objection is that the Government will find that their scheme is impracticable when the Public Assistance Authorities work it. I think they will find that they cannot control the Public Assistance Authorities.

I was wondering why you preferred the Old Age Pensions Authority to deal with the "means" test rather than the Public Assistance Officer?—I think that the Old Age Pension Officer goes to work in a different spirit and a different way from the Poor Law Relieving Officer. I have experience of his treatment in connection with the aged poor and it is much more like the treatment of the Inland Revenue Officer in connection with the Income Tax—it does not differ substantially from it. I have had one or two cases of old servants with whom I was concerned and when I came to apply for the Old Age Pension for them it seemed to me very much like an inquiry into your Income Tax. There was quite a different spirit about it.

You think he had been educated in a different atmosphere?—Yes, a different thing altogether. It was quite a reasonable enquiry about things and they only

dealt with your income. The Poor Law test is whether the applicant is destitute, that is to say, without means of present subsistence. Strictly speaking, no one with any realisable capital of any sort can get Poor Relief. The Old Age Pension Officer does not seek to absorb your capital or anything like that. That is to say your savings—your Post Office savings—were reckoned only as if they were used to purchase an annuity. It was really dealt with like the Income Tax. Nobody objects to the enquiries about Income Tax—that is a "means" test, the procedure of the Income Tax is a "means" test.

You do object to people inquiring as to what sort of income your grandfather has got?—Yes, I cannot conceive that they should do that with reference to a claim by a grandson. I believe that that would be outrageous.

The question of legal liability does not arise with the able-bodied because it is contemplated even now that they are in the workhouse, but there will arise the question of people living in the same household?—Yes, well I think unless they are making profit out of the lodger nothing should be reckoned on that; if they are keeping a lodging house that should be reckoned as part of their income.

On the question of there being possibly a few agricultural labourers receiving public assistance, you understand that in the country districts it is not very common?—I agree, but I think it is very unfair to exclude agricultural labourers from getting a benefit which is given to other trades. The original scheme was restricted to a few trades in which unemployment could be properly dealt with by insurance. Now the benefits have been extended to all trades practically, and it ought to be the same for all.

CHAIRMAN: *Is there anything else you would like to volunteer?*—No, I think not.

CHAIRMAN: *Then on behalf of each member of our Commission I desire to tender you our grateful thanks for the great and valuable assistance you have given us?*—I was very glad to come.

NOTES AND COMMENT

CHILD WELFARE AT GENEVA

THE 1933 annual session of the Advisory Commission for Protection and Welfare of Children and Young People was held in Geneva from March 27 to April 8. The Commission is composed of two committees, one on Child Welfare and the other on Traffic in Women and Children, and includes representatives of twelve governments and nineteen assessors representing voluntary organizations. The Commission has no power or authority, but acts in an advisory capacity to the Council of the League of Nations.

In the meetings of the Child Welfare Committee the subjects considered included family desertion, the effect of unemployment upon child welfare, care and training of blind children, protection of illegitimate children, care of delinquent children, and promotion of the production of motion-picture films suitable for children (the committee working in collaboration with the International Cinematographic Institute at Rome). In joint session the two committees considered matters pertaining to the composition and program of the Commission, publicity for its work, and preliminary examination of the report of a field study of traffic in women and children in the East. The Traffic in Women and Children Committee devoted most of its attention to proposals for strengthening international agreements and conventions with reference to the traffic.

The aims of the Child Welfare Committee, as defined at its recent session, include service as an "action" center, through securing co-operation of governments and voluntary associations; a study center by directing or carrying out studies or investigations; and a world-documentation center designed to facilitate exchange of information between governments and private bodies.

The inquiry into traffic in the East was financed by a grant of the Bureau of Social Hygiene to the League of Nations, and the traveling commission of three functioned under the chairmanship of Bascom Johnson, of the American Social Hygiene Association. Mr. Johnson attended the Geneva meetings in the capacity of expert and *rapporteur*. The study, which extended over a period of a year and a half, covered the Near, Middle, and Far East. A considerable amount of traffic, chiefly in Asiatic women, was found to exist. Traffic in occidental women to the East has

decreased markedly in recent years. The problem is immensely complicated by economic factors and social customs and traditions, but in most of the countries, the report points out, there are forward-looking individuals and organizations representing both men and women, who are striving earnestly to educate and consolidate public opinion.

A resolution was adopted urging ratifications of the agreement of 1904 and the conventions of 1910 and 1921 by governments which have not already done so (the United States is a party to the 1904 convention but has not ratified the conventions of 1910 and 1921, inasmuch as the subjects dealt with are largely within the jurisdiction of the states). The resolution also urges the establishment of central authorities where they do not exist and requests the director of the Social Questions Section in the light of the findings of the inquiry to consider ways and means of coordinating measures taken by governments in the East and those of private organizations through the intermediary of the League of Nations, to study methods of affording protection to women of Russian nationality in the Far Eastern territories (concerning whose exploitation considerable evidence was found), and to submit a report at the next session.

At the sessions of the Committee on Traffic in Women and Children, proposals for abolition of the age limit (twenty-one years) in the international conventions of 1910 and 1921, which make traffic in women under twenty-one or in women over twenty-one through fraud or deception an offense, were considered, and a form of protocol was drawn up for submission to governments, abolishing the age limit in cases of foreign traffic only, and looking toward strengthening the work of the central authorities. The question of punishment of *souteneurs*, which has been studied for some years, was kept on the agenda for further consideration. Great difficulties are encountered in drafting conventions on these questions which can be applied to countries where the system of licensed houses still prevails. The Commission, in fact, found that it was impossible to deal adequately with these subjects so long as the system exists.

KATHARINE F. LENROOT

U.S. CHILDREN'S BUREAU

LILLIAN WALD'S FORTIETH ANNIVERSARY AT THE "HOUSE ON HENRY STREET"

THE Fortieth Anniversary of Henry Street Settlement, which was celebrated on April 29, called forth many telegrams of congratulations to Lillian D. Wald, its able, devoted, and distinguished founder, who has also been the head resident during all these fruitful years.

The *Review* also is happy to pay tribute to the Settlement and to its head, to her vision and social leadership, her courage and devotion. Miss Wald has been one of the pioneers of the settlement movement in this country; but she has also been much more than this. A woman of great executive ability, she has also directed the great nursing organization which serves the poor of New York City. She has been a leader in many constructive social movements—for the abolition of child labor, for the organization of the United States Children's Bureau and the maintenance of the integrity of the Bureau, for the minimum wage, for old-age security.

It is significant that among the many telegrams of congratulation was one from the present governor of New York, who became a club leader at Henry Street thirty-four years ago and who has been one of the directors for seventeen years.

AN UNEMPLOYMENT BIBLIOGRAPHY

THE Russell Sage Foundation Library has published a very useful bulletin of selected references on *Unemployment Relief in the United States and Canada*. The following subjects are covered: "Bibliographies," "Statistics," "Federal Relief," "State Aid," "Community Organization," "Family Welfare Agencies and Unemployment," "Effect of Unemployment on Family Life," "Groups of the Unemployed Presenting Special Problems," "Methods of Relief Giving," "Nutrition," "Work Relief," "Self-Help," "Odd Jobs Campaigns," "Opportunities for Gardening and Farming," "Education and Recreation," and "General References."

There are inevitably some omissions—notably the various volumes of extremely valuable "hearings" before the United States Senate and House committees in the winter and spring of 1932. But the bulletin will meet a widespread demand, and omissions may easily be corrected in the new editions that will surely be called for as the increasing body of literature on this subject continues to be published.

THE SOCIAL INJUSTICE OF THE SALES TAX

SOMETHING like eight states have adopted sales-tax measures (Illinois, Indiana, Mississippi, Vermont, North Dakota, Arizona, Utah, and Oregon), and bills are pending in at least eight other states (Alabama, Tennessee, New Hampshire, Maine, Ohio, Michigan, California, and Missouri).

The sales tax was looked upon by many people as a painless method of meeting the relief crisis. In Illinois, however, where relief needs are very great, the state constitution which has prevented the use of the income tax

was finally called to the aid of the new sales tax, which was also declared unconstitutional on May 10. But during the period of the enforcement of this tax, objections to it became obvious. In Chicago there was a difficult situation with regard to the sales tax at the grocery stores which were used by relief clients. To have these unfortunate people actually paying the tax out of their meager relief order was a good deal like asking them to pull themselves up by their own bootstraps. In those far-away days when Secretary Mellon and a number of United States senators were recommending a federal sales tax, the Scripps-Howard newspapers gave wide publicity to the fact that a sales tax was "a hard blow to the Nation's poor." These newspapers gave wide circulation to an article in Barron's *Financial Weekly* which pointed out the "social injustice" of the sales tax on the ground that the billions of revenue that might be provided would be largely drawn from "the poorer classes of the country."

The following extract from this article will be of interest at a time when the sales tax is still regarded by many people as a means of financing relief expenditures:

> The bulk of the country's consumption is performed by the millions of poor and moderately well-to-do, not by the small number of rich. The revenue from a consumption tax will come from the pockets of the stenographer, the bookkeeper, the miner, the steel worker, the mechanic. The unemployed worker, desperately drawing upon his savings, will be called upon to draw still more heavily on those savings in order that the federal government may avoid increasing the rates of the income tax—a tax which after all is paid by those who are earning incomes.
>
> The worst offense of the sales tax against the principles of tax justice, however, is that it bears more heavily on the poor than on the rich. The man with an income of $1,000 or $2,000 is forced to spend practically all his income on the necessities and semi-necessities of life for himself and his family. Goods, clothes, and household furnishings—all of them articles which would be subject to a sales tax—absorb from 70 per cent to 80 per cent of his income. A 1 per cent sales tax would add on the average 2½ per cent to the final price of these purchases.

THE ILLINOIS PAUPER OATH

BEFORE the beginning of the present session of the Illinois legislature the representatives of the Chicago Chapter of the Association of Social Workers in the annual public welfare conference approved a report recommending the abolition of the old Illinois poor-law; and indorsed the plan to substitute a modern public welfare act which would extend to other parts of the state the social welfare methods that the Cook County Bureau of Public Welfare has secured for the Chicago area. How greatly this new

act was needed is shown by the recent legislation requiring the pauper oath.

The old poor-law of Illinois, passed sixty years ago, still has the antiquated title "Paupers." The present Illinois legislature has recently passed an amendment to this old statute which continues the objectionable terminology and is called "An Act To Revise the Law in Relation to Paupers." The new act places upon the social workers the humiliating duty of requiring a pauper oath from all the great army of unemployed and other destitute people now supported by public funds. In Chicago notaries have now been made available in the seventeen unemployment-relief stations and in the eight district offices of the Family Service Division of the Cook County Public Welfare Department to comply with provisions of this amendment. The section which prescribes the pauper oath is as follows:

> Any poor and indigent person who applies for relief and support shall furnish to the overseer of the poor or the county bureau of public welfare, as the case may be, a sworn statement of his condition and submit to a reasonable examination by the overseer of the poor or the county bureau of public welfare as to his inability to support himself or his dependents. Such sworn statement shall contain the following information and be substantially in the following form:
>
> Name.....
> Address.....
> How long have you lived in this city?.....
> This state?.....
> Occupation.....
> Last employer.....
> Are you married or single?.....
> If married, how many children?.....
> Do you own any real estate?.....
> Any jewelry?.....
> An automobile?.....
> What is the total fair market value of your real estate?.....
> Of all your personal property?.....
> Have you a bank account, or a safety deposit box, anywhere under any name?
> .....
> Or any money hoarded away?.....
>
> Any such person who wilfully makes a false statement, in the sworn statement herein required, shall be denied any relief or help and shall be guilty of perjury and punished accordingly.
>
> Any overseer of the poor or any officer or employee of any county bureau of

public welfare of any applicant for relief who connives with any other person or with each other in obtaining relief or supplies or in obtaining a greater amount of relief or supplies than is required to maintain such applicant and his family or dependents or who otherwise makes any unlawful disposition of any supplies furnished for relief purposes is guilty of a misdemeanor and upon conviction thereof shall be fined not more than five hundred ($500) dollars or imprisoned in the county jail for not more than six (6) months or be both fined and imprisoned in the discretion of the court and in addition any such applicant for relief so convicted shall be denied further relief and support.

Why the legislators provided that the new law should become operative at once is explained in section 2 of the Act, which is as follows:

WHEREAS, Thousands of persons are dependent upon the public for support in the counties affected by this amendatory act and this support requires the expenditure of large sums of public moneys and these expenditures should be safeguarded and immediate provision made for penalizing any improper expenditure, *therefore*, an emergency exists and this Act shall take effect upon its passage.

As soon as the Advisory Relief Committee of the Cook County Board of Public Welfare heard of this amendment, an effort was made to prevent its passage on the ground that the affidavit was an unnecessary humiliation to the people receiving relief and that social-work experience had shown that the addition of an affidavit to a statement adds nothing to its value from the standpoint of protection of relief funds. Objections were urged to the form of statement prescribed by the proposed Act and also because the penalties which could be visited upon a man who had made a false statement would work unmerited hardship upon the wife and children. Primarily, however, objections to such an oath rest upon the fact that any system of public relief administered by social workers will by the use of modern methods of investigation make such procedure as the Illinois legislature has now prescribed wholly unnecessary. The Illinois Pauper Oath is further evidence that, so long as the old pauper laws remain on the statute-books, we are failing to make use of the resources of modern social work.

NEW YORK LOOKS AHEAD

THE following message sent by the able governor of New York to the legislature shows the kind of constructive foresight that has come to be associated with Albany in the last few years. The message is published here because of its immediate significance and its historic importance.

STATE OF NEW YORK EXECUTIVE CHAMBER
ALBANY, April 8, 1933

TO THE LEGISLATURE:

The State of New York has taken the lead among the states of the Union in providing work, food, and shelter to those of its citizens who desire to work but who can find no jobs. New York was not only the first in point of time to provide a comprehensive program of distress relief, but it has been foremost in the extent and scope of the relief afforded.

The need for this relief still continues. The urgency which brought about the commitment of the State to the policy of feeding and clothing its needy unemployed still persists.

The finances of the State do not permit the continual drain upon it which will be made necessary by the needs of present conditions. The State has already appropriated out of its treasury fifty-five million dollars. We have called upon the Federal Government for about twenty million dollars. The municipalities and the counties of the State, in turn, have recognized and discharged their responsibility in a splendid manner and have appropriated very large sums. The amount of relief which these vast sums have been able to provide must be continued. During the past winter peak months, relief has been costing in excess of ten million dollars a month. I am confident that the magnificent performance of our municipalities, counties and private agencies will continue.

In February of this year, for example, we took care of approximately 325,000 families or about 1,250,000 individuals, at a cost of $10,603,278. In March, the number of families receiving aid rose to 350,000. In other words, one person out of every eleven throughout the entire State is now dependent to some extent, or altogether, upon the relief which we, the people of the State, can give him.

We must look ahead to the winter of 1933–34. It is unthinkable that the work of relief be abandoned. It must continue apace. The state treasury will be unable to pay the expense in any one year. It is unfair to expect the people to bear this full burden by taxes during any one year. The costs of this crisis should be dissipated over a period of years by means of a bond issue. By a bond issue this year, the burden will not only be made lighter; but relief will be carried on in the manner which current needs call for.

I therefore urge your Honorable Bodies to enact at this session legislation to submit to the people of the State a proposal to bond the State in the sum of sixty million dollars for emergency relief purposes. I also recommend that legislation be adopted which would make twelve million dollars of this bond issue immediately available to the Temporary Emergency Relief Administration, if the people approve the bond issue.

At this same time I recommend that certain amendments be made in the organization of the work conducted by the Temporary Emergency Relief Administration. Provision should be made permitting the consolidation of the relief activities within a city or county welfare district. In many cases there is

little reason why there should be an organization to administer home relief and a separate one to handle work relief. Moreover, the law should provide that under such regulations as the Administration may prescribe there may be a consolidation of the relief activities of the city and county welfare districts, if application for such consolidation is made by the mayor of the city and the chairman of the board of supervisors of the county. It is apparent that if the municipalities and counties exercise this privilege of consolidation, greater efficiency in the administration of unemployment relief in this State will result. I urge municipalities and counties to take advantage of such provisions of law, if enacted by your Honorable Bodies.

In the interests of meeting the dire needs of those of our citizens who remain unemployed, I urge the enactment of this legislation.

[*Signed*] HERBERT H. LEHMAN

WELCOME, MR. HOPKINS!

THE appointment of Harry L. Hopkins, of New York, as the new federal Administrator of Relief has been cordially welcomed by social workers in all parts of the country. It is a great satisfaction to have this important post go to an experienced professional worker and not to a business man. President Roosevelt's recognition of the professional social work group, first, by the appointment of Mr. Hopkins to be chairman of the New York Relief Commission, and second, by his appointment as federal Administrator, has given us new and, let us hope, well deserved professional recognition.

BOOK REVIEWS

Proceedings of the First International Congress on Mental Hygiene. Edited by FRANKWOOD E. WILLIAMS. New York: International Committee for Mental Hygiene, Inc., 1932. 2 vols. pp. xviii+803 and iv+840.

The First International Congress on Mental Hygiene was held May 5–May 10, 1930, in Washington, D.C., U.S.A., and its proceedings cover approximately 1,650 pages.

In 1909 and with the sympathetic support of a small group of individuals, Clifford W. Beers with *A Mind That Found Itself* succeeded in founding the first national mental hygiene society. Twenty-one years later with twenty-one other national mental hygiene societies already established in foreign countries and eighteen state-wide societies in the U.S.A. engaged, more or less actively, in mental hygiene work, Clifford W. Beers zealously participates in the founding of the International Committee for Mental Hygiene. Astonishingly little progress had actually been made. It is true many speak of mental hygiene, its principles, its goals, and its benefits, but very few practice it or tolerate its acceptance by others. These two volumes reveal as much and more besides. And to Frankwood E. Williams, although he generously acknowledges his great indebtedness to the staff of the National Committee for Mental Hygiene, the advisory committee on program and aides who bore the structural weight of administrative tasks, great credit must be given for these *Proceedings*. As he has written of others, one may say of him—"Greater devotion and loyalty to an undertaking it would be difficult to conceive." In later years, it will be seen that it was he, not his associates, who played the heroic rôle he referred to and that he did not fail with the colossal task to record the progress and limitations of mental hygiene in twenty-one years.

There are forty-eight leading papers with four or five discussions of each paper appended. The discussants, in many instances of equal or greater professional rank than the authors of the leading papers, were selected specially to achieve a many sided approach to the clarification of a specific topic. The candor displayed in the discussions of acutely controversial matter is indeed refreshing and at the same time will furnish much sodden ammunition for those few folk who hold dear to the established and the routine and see in the mental hygiene of the individual a menacing emancipation from the obsolete and the primitive.

The *Proceedings* follows closely the scheme of the program. In these two volumes all the main papers presented by American and foreign authorities are given in full and directly following them the supplementary criticism, explanatory or favorable or unfavorable, is included. Topically the program consisted of

three main divisions: community problems, clinical and sociological problems, and administrative problems. From another viewpoint the topics are observed to follow a well-organized plan wherein the mental hygiene problems of adulthood are dealt with first; next, those affecting college, high-school, and adolescent youth; and finally, those of the grade and preschool child. Thus did the Congress end with the keynote—prevention of problems.

These *Proceedings* may well come to be referred to as the source book of all that is mental hygiene, world-wide—its strength and its weakness; its ambitions and its languors; its privileges and its restrictions. These selfsame volumes reveal by whom mental hygiene is conscientiously supported; by whom it is merely given lip-homage; and by whom it is looked at askance. Fortunately or unfortunately, as the case may be, several of the delegates were more the diplomat and the gentleman than the scientist and the educator, and saw fit to praise or eulogize their American hosts and confreres rather than question and criticize. Happily, however, such dereliction is infrequent, must be searched for, and will be detected in all likelihood only by the well informed and the sagacious.

In relation to mental hygiene and among the many topics discussed the following were conspicuously and reliably presented: adolescence, child guidance (clinics), juvenile delinquency, psychiatric nursing and social work, and the modern methods or therapeutic techniques effective in treating the organic and the functional manifestations of mental disorders collectively or singly. Psychoanalysis and psychoanalytic concepts, in reference to the aspects of mental hygiene generally, are liberally included. Except for the undertone of impassioned contradictions, rebuffs, and reproofs among the proponents themselves of the various conflicting psychoanalytic schools with modified methods and trends, the concepts and relationship to mental hygiene are convincingly established and outlined.

The reports of the special committees give as accurate a picture of the status of mental hygiene as can be found anywhere. Of these eight committees, seven reported and submitted recommendations under the following captions: statistics, institutions, legal measures and laws, clinics, mental hygiene work in prisons and among delinquents, dependency, and psychiatric social work. It is the reviewer's unconfirmed impression that the eighth committee was to report on mental hygiene in industry and was not able to collect *satisfactory* material in time for the Congress and therefore submitted no report. In view of all that has transpired since 1930 in the industrial life of the world, overt or tacit failure of this committee, whose membership even is unrecorded in these *Proceedings*, to report was indeed the grand gesture of telltale silence and resignation worthy of the Orient!

A *world* view of mental hygiene (I, 86–143) is rather disheartening but is followed (I, 144–61) by a report of an enlivened special meeting, the final one on the last day of the Congress, wherein delegates until 6:15 in the late afternoon went gunning literally with bow and arrow and flintlock to take pot shot at the U.S.S.R. What about socialized medicine; what about prostitution; what about

the educational institutions; what about the psychiatrists and their consideration of religion as being essential to "a proper integration of the personality"; what about the pre- and the post-revolution crime rate; what about the function of parents in the life of the child; what about the adolescent and coercive vocational choice; what about the conflict of sex versus culture in the new social order (Russia); what about the methods of educating medical students in psychiatry; what about the harmfulness of tobacco and alcohol; what about rehabilitating old people mentally; and what about the functions of "the sisters of social aid"—IN RUSSIA? These were some of the arrows and thrusts directed at the two Russian delegates who stood their ground well and seldom failed to give a reasonable reply. And oddly enough in several instances the replies were more reasonable than the questions merited. It would seem from these shots in the closing hours of the Congress that even mental hygienists see the far-off fens as green and more gamesome than the fields at their feet. Most of the thrusts, singular as it may seem, came from those whose own national public health service had reported on prostitution that the *known* syphilitic case rate was 4.77 for males and 3.07 for females per 1,000 of population and that the most persistent efforts to identify and control prostitutes had never succeeded in reaching more than 25 per cent of the group; whose White House Conference on Child Welfare later was to report 10,000,000 children seriously handicapped physically and mentally and 80 per cent of whom were not receiving adequate treatment known to be remedial and preventive to a high degree; whose industrial life flagrantly and ruthlessly was wont to scrap as useless or decrepit anyone past middle life; and whose medical schools, nation-wide, taught psychiatry so wantonly and apologetically that a subsequent evaluation survey completed within the past year is, in part, confidential and, in part, well phrased. But it was the problem of prostitutes and psychiatrists and priests and parents and sex and senility and science and sacraments and "sisters of social aid"—all of the *Soviet* union, that far-off fenway, that stalked ominously before the delegates in that special session on Saturday afternoon until 6:15!

Figuratively speaking, these two paper-bound volumes of the *Proceedings* are the encyclopaedia of mental hygiene—international, informative and inspirational. A topical and a speaker's index, with cross-references, is exceedingly helpful. And finally, a portion of the preamble could readily serve as an epilogue:

> Science takes exception to the law that only those whom nature deems the fittest shall survive. Nature has her hidden remedies for the torture of a broken mind or body, and science is upon the march in search of those remedies, that they may be rededicated to mankind. The knowledge so gained forms a sacred trust of civilization for the maintenance of the strong, for the refitting of the weak and sick to their health and opportunity, and for their deliverance to a useful life in the community and that pursuit of happiness which is the proper promise of creation.

H. E. C.

UNIVERSITY OF CHICAGO

Behind the Door of Delusion. By "INMATE WARD 8." New York: Macmillan Co., 1932. Pp. xvi+325. $2.00.

"Dedicated to a better understanding of those on the inside by those who are not yet locked in," this book by a patient is an unusually objective evaluation of life within state-hospital walls. Unlike some other publications of the same nature, it has not the flavor of a diatribe against the existing hospital system. Instead, this patient depicts vividly, but not without a certain detachment, the deficiencies in the system, the favorable and unfavorable attitudes of hospital staff and personnel, the prejudices of the public, the whims, foibles, and urgent needs of the *too many* patients.

The ward attendants to whose hands, strangely enough, the major responsibility for therapy is intrusted pass in review—good, bad, and indifferent. There is an appreciative portrayal of the overwhelming problems which many of these professionally unqualified public servants meet with resource and rare ingenuity. The overworked psychiatrist is also dealt with tolerantly. The crying need of the patient is stressed and restressed as being a program wherein more individualized treatment is made possible. That morbid portion of the public comprised of the hospital tourists who indulge their sight-seeing propensities by straying through mental hospital wards is justly treated with vigorous condemnation. Throughout the drama in which the "so-called insane" struggle against the régime superimposed by the "so-called sane" one is impressed with the frustration realized by the former group in now encountering a reality, which is perhaps more grim than that from which they had fled via the psychosis. Life within the human chaos embraced by hospital walls would seem to imply a survival of the fittest. The patient who survives in spite of the system and works through to recovery might well be credited with having originally possessed and subsequently developed an unusual resource for adaptation. With regard to the many individuals who cannot surmount the repressive walls or who cannot withstand a fatal identification with the group, the reader is left with the writer's conviction that a treatment scheme designed to meet the individual's need might well have directed others toward recovery.

On closing the book one ponders the essential objectivity of the writer. By what means was he enabled to identify with the patient population and yet remain sufficiently detached to maintain perspective? Ostensibly his motive in writing the account of his experience was for the eventual welfare of his fellow-patients through exposing to the outside world the actual conditions and defects in the system. And yet his production has none of the earmarks of the usual exposé. One senses throughout that in writing he was fighting to preserve his own sanity—that he was struggling to maintain his own identity and that in recording dispassionately he preserved his perspective and worked through to the inward solution of his own problems. In so doing—that is, in objectifying his environment in the interests of the economy of his personality—he has pro-

duced a convincing book as well as therapeutic benefit to himself. The implications of this, in relation to the possibilities of creative work as a fundamental therapeutic emphasis in the treatment of the mental patient, are manifold.

CHARLOTTE TOWLE

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Mental Healers: Franz Anton Mesmer, Mary Baker Eddy, Sigmund Freud. By STEFAN ZWEIG. Translated by EDEN and CEDAR PAUL. New York: Viking Press, 1932. Pp. xxv+363. $3.50.

At first thought it seems incongruous to unite into one biographical volume the lives of such unrelated persons as Anton Mesmer, Mary Baker Eddy, and Sigmund Freud. The title of the book, *Mental Healers*, is, however, sufficient justification, and one does find many important points in common in the historical treatment of the biographies. Although Mesmer was denounced by his contemporaries as a charlatan, his discovery that persons could be induced into a hypnotic trance by individual or mass suggestion was an important contribution to psychology, even though as yet there is no adequate explanation for the condition. In the tremendous following which he developed in spite of his ostracism by the medical practitioners of the time, he disclosed some important mass psychological reactions to an idea or theory by exposing the easy suggestibility of persons and their emotional rather than their rational behavior. Later Freud explained this in terms of the dynamic activity of "the unconscious."

As denunciatory as is the exposition of the life of Mary Baker Eddy, equally laudatory is the treatment of Freud and his achievements. If one can discount a bit of Zweig's enthusiasm, one can still gain an understanding of the far-reaching implications of Freud's work in the unearthing of motivations in personal behavior as well as in social behavior and the importance of psychological factors as at least partial causes of the social and economic problems of the world. Freud emphasized the fact that civilization has not brought personal happiness in spite of giving to the world luxuries, greater facilities for pleasure, etc., and has sought for the causes in the deeper realms of human psychology as well as in the more superficial superstructure that man himself has constructed.

Zweig shows Mesmer and Freud as earnest searchers for the truth in their work, their integrity not to be questioned, but with a sometimes satiric, though never overtly malicious, pen, he exposes the fundamental dishonesty, self-seeking motives, and extreme irrationality behind Mrs. Eddy's work. He discusses frankly her denial of Mesmer as the author of the methods which she used so entirely for so many years. Fairness is shown to her, however, in the recognition of the results her methods have gained in the treatment of functional disorders, emphasizing the effects as due to the suggestibility of persons rather than due to the truth of her theories.

The treatment of the three biographies is dramatic and interesting and should appeal to persons interested in the historical mileposts leading to the more modern concepts of human psychology.

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Child Health and the Community: An Interpretation of Co-operative Effort in Public Health. By COURTENAY DINWIDDIE. New York: Commonwealth Fund, 1931. Pp. 80.

Child Health and the Community is a presentation and evaluation of four demonstration programs carried on from 1923 to 1929 by the Commonwealth Fund in different parts of the country. Following, as it does, publications giving detailed accounts of procedure in individual communities, it addresses itself to matters of policy and development of relationships. The chapter describing public health situations as they were found at the beginning of the demonstrations gives us a good cross-section of the health work of the average community —both urban and rural. There is illuminating discussion of relationships with the medical profession, with public officials, and with citizens—both as members of local groups and individually as interested parents. The missteps in organization and procedure are helpfully discussed, particularly the danger of going too far in advance of the public opinion and understanding of the community. The Appendix contains an outline of program, giving explicitly the fields covered. The illustrations, showing the various "co-workers in public health," might well be adapted for poster material.

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Children's Institutions. A Study of Programs and Policies in Catholic Children's Institutions in the United States. By JOHN M. COOPER. Philadelphia: Dolphin Press, 1931. Pp. xxiv+696. $5.00.

The study on which this book is based was made under the auspices of the Committee on Children of the National Conference of Catholic Charities and was financed by the Commonwealth Fund. It is the second publication dealing with the institutional care of children sponsored by the Conference. The first —*A Program for Catholic Child-Caring Homes*—was published in 1923. This pamphlet represented the co-operative effort of a number of institution executives and others familiar with the field to define the standards of care for individual children which could be achieved by institutions. Several members of the Committee which drafted this program also served in an advisory capacity to Dr. Cooper in planning the present extensive study. Although it was limited to Catholic institutions, its scope and the methods followed make it a valuable

contribution to the entire field of child care, irrespective of auspices. It is unique in its objective, its method, its selection and interpretation of an enormous amount of data. Previous studies in the field have described mechanisms which tend to produce cleanliness, health, order, and good behavior within children's institutions. In the present volume the child's craving for affection, recognition, and adventure are accepted as of central importance. The criteria of the institutions' equipment and training programs are the degree to which, contributing to the satisfaction of these desires, they enrich the spiritual and social individuality of the child.

The purpose of the study, as stated by Dr. Cooper in the Introduction, was "not to discover new facts or principles, nor to appraise old procedures, but to learn the best practices in actual use, to compile these into a single manual, and thus to put at the disposal of each of our institutions the best experience of all." Catholic child-caring institutions are conducted by a number of different religious communities, each of which has its own traditions, rules of life, special works, and special methods of training its members for these works. The common factor in the training of all novices is the emphasis on developing in each of them "certain essential qualities such as proper motivation for the work, devotion to duty, unity of purpose, freedom from distraction and concentration on one objective," which are recognized as fundamental in the personality equipment of those caring for children in institutions. In addition, technical training is given in preparation for special tasks, but until very recently this training has been available to the sisters chiefly through the apprenticeship method. There has been need of organizing courses in child care with carefully planned curricula to supplement this, but textbooks suitable for the purpose have been lacking. It was to serve as "the first step in the formulation of training courses" and to promote the interchange of experience and ideas among the various sisterhoods that the study which Dr. Cooper has brought to fruition was made.

The study covered only homes caring for dependent children, to the exclusion of institutions for delinquents or defectives, as well as infant homes proper. A field staff of five assisted in the work; 97 child-caring institutions were visited, 86 of which were under Catholic auspices, and various data were obtained from other institutions through correspondence and personal conferences. In selecting the places to be visited, consideration was given to geographical distribution, to variations in type of institutions, and to representation of all the religious orders engaged in child-caring work. In the preparation of the report, a tentative draft of each chapter was sent for criticism and advice to the superiors of religious orders engaged in children's work in the United States and to some in Canada, to the superintendents and superiors of Catholic child-caring institutions and the Catholic Indian schools, to the diocesan directors of Catholic Charities, to members of the Committee, and to a number of other specialists, both Catholic and non-Catholic. The manuscript was revised in the light of the suggestions received, thus making it still more widely representative.

The first nine chapters of the book discuss the training program within the institution under the headings of "Religious Care and Training"; "Moral Training"; "Discipline, Freedom, and Self-reliance"; "Mental Health"; "Medical Care"; "Physical Care and Health Training"; "Recreation"; "Education"; and "Social Policies." The last three chapters deal with congregate, group, and cottage systems; administration and finance; and plant and equipment. Each chapter includes a statement of the problem, citations of the methods used by several institutions in meetings it, a synthesizing of the principles involved and the experience in dealing with them, suggestions for procedure when experience is varied or direct recommendation when it is more uniform, and an annotated bibliography. The sources of all illustrative material are given by number, and a key is provided in the Introduction to the population data of the institution from which the incident came—that is, the total number of children under care at the time the study was made, and the age, color, and sex of the children. Anyone who wishes further information about the institution quoted can obtain it by writing to the National Conference of Catholic Charities. But no mere outlining of the ground covered by this remarkable book, extensive though that area be, does justice to its real significance. To get that, we shall need to scrutinize more closely the methods followed in gathering the data and the spirit in which they have been analyzed and interpreted by the author.

Dr. Cooper insists that his project shall not be called a survey, since "its purpose is not to pass judgment on what is being done or to discover weaknesses, but to find the strong points and still more to learn the precise processes, methods, and factors that have brought about these desirable results." His instructions to the staff include:

> —In a word we are interested more in the "hows" and "whys" than in the "whats." —Be insistently and consistently on the look-out for the intangible things, such as spirit and attitudes in staff and children and so forth, and particularly endeavor to find out how such desirable intangible things have come about.—Perhaps the greatest single thing upon which we need detailed information is individual treatment as contrasted with mass treatment throughout all phases of the institutional program.

This emphasis upon discovering the reasons for present conditions and desire for detail that will throw light on how desirable results have actually been achieved have produced illuminating descriptions of institutional life. Here, for instance, is an account of how the chaplain of one institution helps to protect young children against any possible fear of the physical accompaniments of their first Confession. The chaplain or sister "goes into the Confessional with the child, shows him when to kneel, where the priest sits, how the slide works, etc." Unimportant? Not at all, if the child happens to be timid and dreads new experiences. Or here is a discussion of discipline which directly relates the physical equipment of the institution—its shower baths, and its labor-saving devices—to the ease with which the children and the staff live and work together, and the consequent lack of disciplinary problems. Among other factors which are dis-

cussed in this connection are the health program "which keeps the children in good physical condition and therefore more easily amenable to reasonable control"; the recreational program; the fact that the older children go outside to school "thus developing an attitude of independence and of satisfaction"; and the unusual amount of freedom allowed all children within the institution.

Every problem in the training of the child within the institution is scrutinized and the natural and supernatural methods of dealing with it are described. The physical and mental hygiene aspects of conduct problems are given due emphasis, and the importance of determining causes of behavior in each individual child is repeatedly set forth. Discipline is treated in its relation to the arrangements of the living quarters, supervision by the staff, labor-saving devices, staff equipment, careful case work in-take, health and recreational programs. There are abundant citations of the methods of punishments and rewards which are in use. The importance of personality of the superiors and staff members as an element in training children is recognized, and the infractions of discipline which should be dealt with personally and those through group methods are described. The necessity of giving children ample opportunities for choosing is the key to the discussion of the maximum freedom they can thrive under in group living.

The analysis of each problem in relation to the physical environment, as well as the consideration given to psychological factors, is typical of Dr. Cooper's approach to his subject. It is refreshingly different to find a book about children's institutions in which clothing is discussed, not under the heading of equipment, but instead in the chapter on "Mental Health," where it takes rank along with different styles in hair cuts, lockers, cubicles, decorations, birthday parties, and photos, as a method of individualizing the child and giving him a claim to the recognition which he craves.

Another characteristic method is to match almost every general suggestion of something that it would be good to have or do, by a report from some institution showing that it *is* done. The statement that during the school year the allotment of sufficient time for play calls for careful planning is followed by this report from Institution No. 320. "The two hour mid-day period, between morning and afternoon school session gives the child opportunity to eat slowly, to digest his food, and to play freely outdoors before returning to school for the afternoon session. He thus gets the benefit of the maximum noonday sunshine." Among the recreational facilities discussed are playgrounds, play pavilions, swimming pools, wading pools, skating ponds and toboggan slides, indoor playrooms, gymnasiums, sandboxes, swings, seesaws, slides, etc., ad infinitum. At the same time, the philosophy of play is presented with equal thoroughness and charm.

It was the desire of the Committee and staff to "suggest goals that can be reached" by the average institution within the next decade. There is pertinent discussion therefore on the economic aspects of the congregate, group, and cottage plans, as well as on other matters of equipment and administration; and the cost of many of the social policies described in the text is given consideration.

The economic factor involved in any administrative policy is interpreted, however, always in terms of its ultimate spiritual and social value to the individual child.

The chapter on "Social Policies" opens with a discussion of the primacy of the family as a "basic principle of Catholic domestic policy" and proceeds to formulate the following "three paramount institution policies":

a) The admission of a child to an institution is to be counseled as a measure of the last resort, only where parental care and training have radically broken down.
b) Residence within the institution should last only so long as parental inability persists.
c) Return of the child to his own home and parents is obligatory so soon as the child's home is sufficiently rehabilitated to care for him reasonably well.

The body of the chapter discusses admission, residence, discharge, and records. The principles of the first White House Conference are reaffirmed. Figures on population trend are presented from 13 of the institutions visited to show the effect upon Catholic institutions of the present desire to keep dependent children in their own homes whenever possible.

Two of the institutions reported a definite increase in population, in one case attributed to the recent provision of new buildings, and in the second instance related to unusual economic pressure in that particular community. In three other institutions the population had remained about the same, with slight decrease in two. The remaining eight, however, showed definite decrease, due, in most cases, to social investigation of applicants for admission and to the fact that children now do not, as a rule, remain at the institution as long as they used to. One institution which admitted 188 children in 1914, in 1927 admitted only 42. The population which on January 1, 1922, was 231 had fallen to 178 on January 1, 1928. The lessened intake was attributed "to case work investigations before admission, to improved family service work, to increase in mother's pensions and to the decrease in immigration." Case stories illustrate the possibility of keeping families together when competent workers are available and show how families can be rehabilitated through case work so that the child can safely be released to them after a stay in the institution. The possible methods by which institutions may obtain adequate investigation before admission are described, and the conclusion reached is that whether the work is done by someone on the staff of the institution, or by some outside agency, or by a joint placing agency, the one essential is that this person should be a social worker of good training and experience "who is not burdened by too heavy a case-load."

The two major tasks, after a child has once been accepted, are described as "rebuilding the child" and "rebuilding the child's home and family." The administrative problems inherent in securing the latter are similiar to those affecting pre-intake inquiries, but even when the task of rehabilitating the family is assigned to some outside worker, the institution can do much to strengthen the ties between child and family by encouraging visits and correspondence whenever the circumstances of the case makes this possible or desirable.

Policies relating to discharge and after-care are held to be of almost equal importance, but foster home placement, whether in adoption, free, boarding, or wage homes, is considered a division of social work which, while closely related to institutional care, is yet so "sharply differentiated from it in technique and procedure" that it need not be fully treated in the present volume. "Extreme partisan views" on the greater desirability of either foster home or institutional care are said to be "premature," because of lack of scientific knowledge of the points involved. However, there is now a reasonable unanimity among Catholic institutions that a great many children who would formerly have been kept indefinitely in institutional care can and should be placed out in foster homes, whenever suitable facilities for investigation and supervision are available.

The section on after-care describes different methods followed by different institutions to keep in touch with children after they graduate or are discharged to parents or foster homes. The use of club homes or of the institution itself as a home base during the first year or two of self-support is advocated, and there is a particularly suggestive account of alumni and alumnae associations. It is generally agreed, Dr. Cooper says, by the Catholic institutions, that responsibility does not cease with the child's discharge.

Dr. Cooper points out two important tasks that call for scientific inquiry in the near future. The first is the necessity of a study of the best experience in boarding schools whose problems are "in about 75 per cent of their extent almost identical with those of the child caring home." Both types of institutions can and should profit much by the experience of each other. The second task is the extremely difficult and delicate one of "checking up" and testing objectively a vast number of our present assumptions within the field of child care in general, and of the child-caring home in particular. The conflicting views, surmises, and anti-surmises now current prevent any possibility of scientific judgment and can only be transmuted into established verities by a patient, thorough, and far-reaching study of results.

It must be clear, from these brief glimpses of the contents of the book, that the author brought to its preparation very unusual qualifications. With characteristic modesty Dr. Cooper describes the study as a co-operative one, stating that the real authors are the men and women connected with Catholic institutions for children; and how frequently he has "changed and scrapped personal views previously held and has substituted therefor recommendations more in line with concrete experience of our sisters, brothers, and priests actually engaged on the firing line in institutional labors and responsibilities." Although all this is true, still the selection and arrangement of the data are Dr. Cooper's own and to him unquestionably is due the perspective with which the multitude of details is viewed and the philosophy which underlies and penetrates the whole. He brings to this study a rich personal equipment and skill in the use of the scientific method in other fields. To anyone familiar with the contributions he has made to the study of social origins and religious education, or more fortunately has observed the warmth of his serene and objective participation in

social work conferences on controversial questions, the quality of this restrained and exploratory inquiry into methods which contribute to the spiritual enrichment and the personality development of the individual child in an institution will not be unexpected. The validity of his technique rests also on a rare wisdom about life and human beings and a capacity for philosophical speculation. It is a technique that is useful only to the scholar whose maturity is certain.

In *Children's Institutions* we have, for the first time, the case work method applied on a large scale to the study of institutional management. In less capable hands, this procedure might have meant that the reader would be left unable to see the forest because of the trees. In the hands of one who adds to a wide knowledge of social work the technique of scientist, philosopher, and teacher, the data have been so classified and interpreted that fundamental principles emerge and relative emphases become clear. *Children's Institutions* is a contribution of major importance to the literature of child care and of social investigation.

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American Family Laws: A Comparative Study of the Family Law of the Forty-eight American States, Alaska, the District of Columbia, and Hawaii (to Jan. 1, 1931). Vol. I, *Introductory Survey and Marriage.* Pp. xxi+311. $5.00. Vol. II, *Divorce and Separation.* Pp. 523. $5.00. By CHESTER G. VERNIER, assisted by FRED A. WELLER. Stanford University, California: Stanford University Press, 1931–32.

This publication notes two fields of special interest: (1) there are many questions being raised concerning methods of instruction in law; and (2) all phases of the marriage and general family problem now find wide discussion. There are numerous commentaries on the law of domestic relations and those who rely exclusively on the case method of instruction can find appropriate collections of judicial decisions. Professor Vernier is not satisfied with either since he is well aware that the law in any jurisdiction is a composite of the historical attitude, the statutory enactment, and the influence on the local court of the opinions already handed down in other jurisdictions. He therefore with entire correctness entitles his work not *Family Law* but *American Family Laws*. The present volumes deal with the subject of marriage and with divorce and separation; in other words, the author supplies material for teaching in relation to the establishment and the termination of family relationships and gives reason to expect in the more remote future similar teaching materials on the relationships of husband and wife, parent and child, etc.

In connection with each topic treated, the author has undertaken to do four things: (1) make a brief summary of the common law; (2) state the statutory law, first in summary form, then in detail, showing variations, resemblances,

and omissions; (3) add such comment and criticism as seem pertinent; (4) supply references to texts, case books, annotations, reports, articles, and notes from law magazines. The work is therefore said to combine the features of "a commentary, a digest, an annotation and a work of reference."

There is supplied a wealth of material. The question may be raised as to whether it is as profitable to have so exhaustive a body of material on so narrow a range of topic as compared with a less comprehensive statement on each of the topics to which the author has referred. It must be recalled that in the field neither of judicial decision nor of statutory enactment is the body of material fixed. Courts are everyday handing down opinions, the legislatures are amending this year the statutes they enacted at the last session. When there are so many sources of change, the question suggests itself as to whether the selection of representative jurisdictions will not serve sufficiently to suggest to students the principles by which both decisions and statutes should be judged. Such a situation would at the same time bring home to the student the importance in any jurisdiction of making sure that he has such complete and up-to-date information as can only be had when an issue is being raised. By the time the later volumes promised by Professor Vernier appear, much of the material in the present volumes will have become incomplete and in need of revision. It is a very costly type of volume. The comparative utility of a series of documents so selected as to impress on the student the varied sources of influence, the revolutionary changes in attitude toward the marriage relationship and family life, and the importance of becoming aware of the sources of influence on a particular judge and jury is at least a subject worthy of consideration. Whatever the answer to that question, students and teachers in this interesting field are put under a heavy obligation to Professor Vernier by this ambitious and scholarly undertaking.

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Birth Control: Hearings before the Committee on Ways and Means, House of Representatives, May 19 and 20, 1932, on H.R. 11082 (U.S. 72d Congress, 1st session). Washington: Government Printing Office, 1932. Pp. 149. $0.10.

Judgment on Birth Control. By RAOUL DE GUCHTENEERE. New York: Macmillan Co., 1931. Pp. 224. $2.00.

The Case against Birth Control. By E. ROBERTS MOORE. New York: Century, 1931. Pp. x+311. $2.50.

On the Management of a Birth Control Centre. By EVELYN FULLER. (2d ed. revised and enlarged.) London: Noel Douglas, 1931. Pp. 38. 1*s.* 6*d.*

The hearings before the Committee on Ways and Means of the House of Representatives, Seventy-second Congress, on the bill introduced in 1932 by

Representative Hancock to amend federal statutes on contraceptives and remove restrictions now imposed upon licensed physicians differ but slightly from congressional hearings on similar bills in previous years. Like its predecessors this bill met with failure and died in committee. The arguments which were advanced against the measure were offered largely by representatives of a minority religious group in this country which is strongly opposed to liberalizing the law. The failure of this amendment brings out strikingly the prevailing inertia and the fears of legislative bodies to enact modern legislation on this subject no matter how large a body of support exists when determined opposition is made upon moral and religious grounds.

The defense of the measure was well organized, presented intelligently, and with less than the usual emotional fervor. Through the maze of the arguments of the opposition it is difficult to thread a consistent pattern. The desire to maintain the large family system, by retaining legal as well as religious obstacles in the way of birth control, and an unyielding resentment to any measure which accepts sexual relations as a normal human practice aside from its reproductive function appear as the dominant themes. The general growth of the small family system and the knowledge that the decline of the birth-rate has been brought about by use of modern methods of contraception have not influenced the viewpoint of the opposition; they appear rather to have increased its determination to resist statutory changes no matter how widely existing laws are being disregarded.

The arguments against birth control are better organized and more intelligently presented in two recent books which set forth the Catholic position on birth control. *Judgment on Birth Control* is a translation from the French, written by Raoul de Guchteneere. *The Case against Birth Control* was written by Edward Roberts Moore, Ph.D., director of the Division of Social Action of the Catholic Charities of the Archdiocese of New York. Both books have received the Imprimatur of Patrick Cardinal Hayes, Archbishop of New York, and Moore's book carries an Introduction written by the Cardinal, and may, therefore, be said to represent the position of the Catholic church in this country on the subject.

Of the two volumes, the one by de Guchteneere is written with less animus against the proponents of birth-control measures. Both present substantially the same arguments and point of view. Dr. Moore indicates his feelings toward the exponents of birth control by referring to Margaret Sanger as "this woman." The attack in both is directed not against family limitation as such but against the use of chemical and mechanical contraceptives. In this the attitude taken in the recent papal encyclical is followed although Dr. Moore takes issue with the inference to be drawn from the Pope's statement that sexual intercourse during the so-called "safe period" is not to be condemned on moral grounds. Pope Pius XI has stated that he does not consider those "as acting against nature who in the married state use their right in the proper manner although on account of natural reasons either of time or of certain defects new life cannot

be brought forth." On the presumption that, quoting Dr. Moore, "if conception does not follow it is because nature has herself not cooperated not because man has interfered with her processes," a method of birth control which does not involve continence is thereby offered. Dr. Moore, however, acknowledges that there is no such thing as a period which is really "safe" and warns against failures and other unfortunate consequences to those who might make use of this expedient sanctioned by the Catholic church for reducing the likelihood of conception.

The Catholic opposition to contraceptive measures attempts to answer the social and economic arguments advanced in behalf of family limitation by urging instead such measures as the equitable distribution of wealth, family allowances, etc., by which the mass of the population may have unlimited offspring without social and economic disadvantage. Both writers minimize the problem of health hazards to mother and child which may be the consequences of excessive pregnancies.

Although both writers give a grudging religious sanction to sexual relations which do not result in conception when artificial methods to prevent conception are avoided, there is a strong undercurrent of attitude that sexual relations are justified only when they are entered into for the purposes of reproduction. Neither of these Catholic writers has logically developed the position on sex relations which was evident in the papal encyclical which admits an essential human value of sex relations in marriage in its statement that "for in matrimony as well as in the use of the matrimonial rights there are also secondary ends, such as mutual aid, the cultivating of mutual love, and the quieting of concupiscence which husband and wife are not forbidden to consider so long as they are subordinated to the primary end and so long as the intrinsic nature of the act is preserved." Taking into account this attitude on sex, the present Catholic opposition to birth control is primarily a reluctance to accept modern methods of contraception because such methods are "unnatural" rather than "natural" means of family limitation.

There is a wide gap between these discussions of birth control from the religious viewpoint to the pamphlet issued by Evelyn Fuller, who is Secretary of the Society for the Provision of Birth Control Clinics (Great Britain), which presents in a brief form suggestions for the organization and administration of birth-control centers. In England birth-control advice is now regarded as differing little from other forms of public health service. There have been few hampering legal restrictions for privately organized birth-control clinics and since July, 1930, following a memorandum of the Ministry of Health, local health authorities in England and Wales are permitted to give advice on contraceptive methods to certain classes of married women in cases where further pregnancies would be detrimental to health. Numerous local authorities have already taken action under this memorandum by arranging for advice to be given at maternity and welfare centers and at public hospitals and gynecological clinics. Neverthe-

less there still remains a need for voluntary clinics, and this pamphlet, first published in 1926, has been revised and reissued to meet the needs for information on equipment, procedure, personnel and management of birth-control clinics.

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Familienpolitik, Probleme, Ziele und Wege. By GERTRUD BÄUMER. Berlin: Verlag für Standesamteswesen, G.m.b.H., 1933. Pp. 77.

Expanding her paper for the International Conference of Social Work at Frankfurt, Dr. Bäumer presents a brilliant analysis of objectives and problems of the family. Chapter i deals with "The Family as the European Way of Life." It discusses social aspects of family life. It notes the absence of adequate statistics on the family, in spite of the recent development of vital statistics. The section on the borderline between relief and social politics is particularly fine. Fortunately, it is largely incorporated in the address to the Frankfurt Conference and therefore to be available in English.

Chapter ii concerns the social, economic, and financial bases of "family politics." It covers problems of city living for the wage-earner's family, wages rates in relation to family needs, and wage-earning work of married women. The discussion of financial politics raises the question of the purpose and incidence of taxation in so far as it affects the family and whether it would not be preferable to provide the insurance benefits through taxation since a large proportion of the population is included in a compulsory insurance system.

The theme of the book is that

> the present crisis has pressed social politics to its limits, changing its entire meaning. The relationships between the state and business have been basically altered. The older social politics rested on the assumption of a strong, steady and relatively independent political power over against business run under a system of free competition and lacking in fully developed form. . . . . The newer adherents of social politics hold that it is not merely a corrective of business under a system of free competition but that social politics is the very foundation of the economic order, the assurance of continuing fulfilment of the purpose of the commonwealth through economics.

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Income and Health in Remote Rural Areas: A Study of 400 Families in Leslie County, Kentucky. By MARY B. WILLEFORD. New York: Frontier Nursing Service, 1932. Pp. 91.

This is a very interesting study of 400 families in two areas in the mountain district of Kentucky. Its title, however, is misleading. It is not concerned with the health of these families or the effect of their income on their health, but the medical care they receive and their ability to pay for adequate medical service.

As the median total income reported was between $500 and $600 and the median money income $114, the upper quartile $155, it is clear that the great majority of the families cannot afford to be sick.

The study goes on to show the difficulty of getting medical attention and the actual expenditures for medical service and patent medicines. It then considers the possibilities of increasing incomes but finds no immediate prospects of bringing this about. Finally, it takes up ways and means by which good or at least better medical service might be organized. The author concludes rightfully enough that such service must in large part be supported by funds obtained outside the county and is inclined to think some at least must come from outside the state. But when she considers the use of governmental funds she is exceedingly cautious, accepting without question the present tradition that governmental health service must not include direct curative service to the individual. Accordingly she proposes a subsidy from state or nation to private philanthropic agencies. She does not discuss the obvious objections to such a plan. Thus the facts the study reports are interesting and challenging, the proposals of remedies timid and ill advised.

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Salary and Wage Policy in the Depression. New York: National Industrial Conference Board, 1932. Pp. viii+67. $1.50, paper.

One of the interesting and significant features of the current depression has been the uneven and peculiar behavior of the items of price constituting our price structure. Many students have voiced the need of a comprehensive analysis of differential price trends as a bsais for a better understanding of the processes of liquidation and the operation of price-determining forces.

The present study is such an analysis of wage and salary rates during the period 1929 to May 1, 1932. The survey reports the experience of 1,718 concerns representing the fields of finance, railroad transportation, public utilities, trade, extraction and refining, and manufacturing. The sample would appear to be fairly representative of these fields of employment except, as the authors admit, for lack of adequate representation of the smaller employing units in which wage rates and salaries have generally been cut most severely.

Some of the more striking facts revealed by the study are: no significant reduction in rates were made until January, 1931, whereas for a comparable period in the 1921 depression rates had suffered an average cut of more than 19 per cent; approximately one-fourth of the companies had not cut wages, and one-fifth had not cut salaries; companies that had not cut rates suffered a decline in employment only half that of companies that had cut; the weighted arithmetic average reduction in executive salaries was 14.9 per cent, other salaries 15.9 per cent, and for wages 11.1 per cent; no marked difference in severity or frequency of reduction as between union and non-union shops; severity and frequency of

reduction vary directly with ratio of labor to other costs; severity of reduction markedly greater for small than large companies.

This would appear to be a competent study. The facts revealed present an interesting and instructive picture of this important section of our price structure. It is to be hoped that the study will be extended to comprise the whole of the present depression era. If this be done, efforts should be made to cover a fuller sample of small concerns.

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Shorter Hours: A Study of the Movement Since the Civil War. By MARION COTTER CAHILL, PH.D. New York: Columbia University Press, 1932. Pp. 300. $4.50.

The author has made this study because of interest aroused by the demand for shorter hours in the present unemployment. Industrial leaders in public statements acknowledge the need for shorter hours, in order to spread employment. The share-the-work movement has enlisted their support. But the depression is now almost four years old, and little has been done to set up a new standard. Why is this so, when hours have been progressively shortened in periods when the theories of Capital and Labor were much more at variance than at present? To be sure, Labor's greatest gains have been during periods of prosperity, when surplus Labor was at a minimum, but even during depressions in the past some gains have been registered.

The author divides his subject broadly into three parts, treating the gains through legislation, through direct action, and through the voluntary action of employers. The arguments for and against shortening hours have changed little, though the emphasis has shifted from time to time. Three lines of argument on Labor's part have been outstanding: the need to reduce technological unemployment, the need of leisure to produce an educated, intelligent citizenry, as well as a healthy population for defense in war, and the need of leisure to increase consumption, and production as a corollary. The rebuttal of the employers is summarized by the author as follows:

> On the basis of the assumed decrease in output, many dire results from lessening hours are prophesied. These are: first, that the increased burden of cost will be placed on the consumer; second, that labor will suffer from the necessary decrease in wages; third, that capital will flee the district, profits having decreased due to the cost of the change; and last, that foreign competitors will invade the home market, and in addition, we will lose our ability to compete in foreign markets. The fact that the first result would necessarily exclude the second, or the third, and so on through the list, has not prevented the use of the imposing mass of calamities as a negative argument at any one time.

In 1860, Ira Stewart, a mechanic, preached the doctrine that leisure to observe the comforts of life enjoyed by more fortunate classes would fill the worker with the desire for a better standard of living and so increase demand and mar-

kets. Sixty-six years later, the same doctrine was enunciated by Henry Ford, and if employers did not generally join in the chorus for shorter hours, they gave some lip-service to the theory that high wages improved a home market for goods; however, the National Association of Manufacturers were so far from seeing the writing on the wall that they opposed the five-day week because it would "create a craving for additional luxuries to occupy the additional time." It would be interesting to see their bill for advertising, to create this same craving which they so feared. The technological unemployment argument has, of course, received great impetus in this depression, and the technocrats have accomplished great popularizing of the idea. The author quotes the findings of the President's Committee on Economic Changes (whose findings, however, cover the period only from 1922 to 1929): "Production per capita of the population is now (1927) nearly 60 per cent greater than it was in the final years of the nineteenth century" and "the increase for the 16-year period from 1909 to 1925 was 33 per cent, as compared with 10 per cent from 1899 to 1909."

"A general federal hours' statute is a Utopian hope," says the author, "because the interpretation of the constitution has seemed to stand irremediably in the way." However, Labor is at the present session of Congress arguing in favor of a six-hour day and five-day week to be secured by a bill excluding from interstate commerce any article made in an establishment employing labor for longer hours.[1] President Green has appeared in support of the bill, and it is interesting that our author's historical account of the hours' movement shows William Green, chairman of the Shorter Work-Day Committee of the American Federation of Labor, making a strong plea at the 1915 Convention in favor of the legislative method, just as it also shows John P. Frey of the Molders' Union opposed, in the 1914 Convention, and a consistent foe of this method since that time.

The heat aroused by deep convictions in favor of one method or the other kept annual conventions of the Federation from drifting into any dulness, but the disappointments of Labor in non-enforcement of legislation obtained at such cost of effort, the blow to the unions of unsuccessful strikes which emptied well-filled treasuries, and the adverse decisions of courts, all make the persistence of the movement a proof of its deep fundamental necessity, as well as furnishing a reason for the intensity of partisanship. One recalls the story of old Andrew Furuseth, made wise by many a crushing disappointment when victory seemed triumphantly attained, sitting outside the capitol at Washington, pensive instead of elated over a long-sought, hard-won, and very important legislative

[1] S.5267, Mr. Black. History is being made so fast in these first months of the present administration, that since this was written, and as we go to press, the American Federation of Labor has changed its attitude on this bill, because of the inclusion of a minimum wage clause; it is rumored, however, that this opposition is not of President Green's willing. The substitute measure would permit organized shops to fix wages solely by bargaining power, and leave the Government free to set minima in non-union shops. It will be interesting to see in which of the two the workers will fare better.

victory: "Oh, I was just wondering what the employers will do to evade it!" was his answer to an inquiry. Indeed, this book gains considerable lightening and color from the quoted statements of employers. One argument was that an eight-hour law "would cause an immediate and disastrous industrial and social revolution. Hitherto relations between employer and employed have been adjusted by natural laws." A bill to restrict hours on contracts for government works was "little less than treason," because it might hamper the efficiency of the navy. The owner of a bleachery testified that he had "invariably noticed that when men kept at work until 10 P.M., they lived in better health, as they kept indoors instead of sitting round doors smoking." A Lawrence mill-owner replied to a questionnaire sent out by the State Department of Labor: "Of spinners as a class, I believe them to be a rowdy, drinking, unprincipled set, and that any concession of time to them would only be wasted and rioted away. If they were kept at work fourteen hours a day it would be better for them."

After such expressions of opinion it is not surprising to find that voluntary shortening of hours by employers has been extremely meager, although they took great credit for any small concession, as the president of a carriage works, who replied to a questionnaire: "On Saturday night we let the men off a little earlier, and in extreme hot weather we give them a little longer at noons. This is done voluntarily." The author cites the voluntary plans of the Packard Piano Company of Fort Wayne, the American Multigraph Company of Cleveland, and the Minnequa Steel Works of the Colorado Fuel and Iron Company, as examples of the peaceful reduction of hours; the cases chosen to illustrate direct action are the International Typographical Union, the Amalgamated Clothing Workers, and the Steel Industry.

The book is by no means a dry historical account of this long struggle, for the author has a keen sense of the human interest throughout. The story is written entertainingly and in a very readable style. In the concise compass of its three hundred pages it repays the reader by a vivid picture of the main outlines of this seventy-year-old movement.

AMY G. MAHER

TOLEDO CONSUMER'S LEAGUE

Quakerism and Industry before 1800. By ISABEL GRUBB. London: Williams & Norgate, 1930. Pp. 192. 8*s.* 6*d.*

This is a case study in the general problem of the relation between economics and religion. Written by a sympathetic believer, it throws a good deal of light both on the manner in which the Quakers in England found additional satisfaction for their religious needs in their economic activity and how this religious high-mindedness, when applied to industry, resulted in considerable economic success. The early iron industry is greatly indebted to the Quakers, and two of the largest banking combines in England are of Quaker origin. The study describes in detail both the theory and the practice of Quaker business ethics and

makes out a better case for the relation between protestantism and capitalism than most of the treatises on that subject. The psychological link in that relation is still a puzzle, and this very useful volume still leaves us asking the question whether capitalism and protestantism both attracted the money-making and money-saving type of person or whether protestant affiliation acted as an isolating factor from the rest of the community so that money-making was an almost inevitable escape.

MAX S. HANDMAN

UNIVERSITY OF MICHIGAN

The Decline of the I.W.W. By JOHN S. GAMBS. New York: Columbia University Press, 1932. Pp. 268. $4.25.

For reasons difficult to assay or explain, the I.W.W. has, throughout its history, been able to attract and hold public attention quite out of proportion to its power either to affect the nature of industrial relations or to contribute to social thought. Intemperateness in language and action, and something like genius for being obtrusive at points of industrial strife, together with ability to make capital of persecution, have attracted to this organization disproportionate public attention.

The present volume continues the history developed up to 1917 by Dr. Paul F. Brissenden and attempts further to analyze and appraise the I.W.W. as a force making for social change. The period is characterized by marked decline in numbers and power. Widespread prosecution and incarceration of leaders and members, defections to communism, strife between urban and rural membership, and changes in technology displacing migratory workers have deprived the organization of leadership and decimated the ranks.

Although this treatise seems, to the reviewer, to take the I.W.W. too seriously, it would appear to be a competent historical record. An extensive bibliography is appended.

R. W. STONE

UNIVERSITY OF CHICAGO

The Negro in the Slaughtering and Meat Packing Industry. By ALMA HERBST. ("Hart, Schaffner & Marx Prize Essay Series.") Boston: Houghton Mifflin Co., 1932. Pp. xxiii+182. $3.00.

Brought into the Yards, the author shows, as strike-breakers, and remaining on more nearly a competitive equality with white workers than in any other industry in Chicago, the status of the Negro has become crystallized within a framework of conflict, competition, misunderstanding, and hostility. The study gives simply and objectively the causes for entrance of the Negro into the meat-packing industry, his relationship to trade-unionism, and his employment conditions in comparison with those of the whites, including occupational distribu-

tion. There is much valuable factual material, the author having secured, in addition to the more easily available sources, records from industries within the Yards. Such vexing questions as the comparative capacity for their work and the comparative stability on the job of Negroes and whites are handled with courage and scientific caution. The involved issues of trade-unionism and race, both loaded with emotional content in the Stock Yards area, are similarly met. The handicaps and the definite gains of Negro workers during prosperity and unemployment, during strife and comparative quiet, indicate trends and crucial points in the city's swift industrial changes mirrored in the Yards.

M. R. C.

Convicting the Innocent: Errors of Criminal Justice. By EDWIN M. BORCHARD with the collaboration of E. RUSSELL LUTZ. New Haven: Yale University Press, 1932. Pp. xxix+421. $3.75.

An increasing amount of testimony is becoming available as to the failures of our outworn and unsound system of administering criminal justice. Occasionally the shock of a lynching or the demand by a wronged person that he be allowed to wreak his own vengeance on the person who has injured him show the wide areas in our life that have never come under the influence of the law. Occasionally an outburst like that of Governor Pinchot shows that there *are* wrongs without effective remedies. In this volume of compelling interest, which is dedicated to two great lawyers, Dean Wigmore and Professor Felix Frankfurter, Professor Borchard has assembled the records of sixty-five convictions of innocent men. The introductory chapter, in which the author explains how these tragic errors are made, is of compelling interest. In his concluding chapter the author reviews the provision made by many jurisdictions for state indemnity for errors made in the course of administering criminal justice. This obligation has been recognized by a few states only—California, North Dakota, and Wisconsin—and then inadequately, but most European countries make as adequate provision as can be made where no compensation can fully meet the situation. Professor Borchard reviews the history of the legislation dealing with the subject, tracing the distinction between civil and criminal jurisdiction and noting the legislation on the Continent and in South American countries by which compensation is provided. The statutes are carefully analyzed, and a legislative program in the United States making similar provision is urgently recommended. Social workers will support such measures when introduced not because they think that the system can truly work—no man or set of men knows enough to punish another—but such a program automatically will cause even closer scrutiny of the system and therefore swifter acknowledgment of the inevitable transition from the attempt at punishment to the work of treatment.

S. P. BRECKINRIDGE

UNIVERSITY OF CHICAGO

Indian Removal: The Emigration of the Five Civilized Tribes of Indians. By GRANT FOREMAN. Norman: University of Oklahoma Press, 1932. Pp. 415. $4.00.

The reader who loves the United States of America will lay down this book with a fervent prayer that nowhere in its history is a blacker page. The facts are dreary, sickening, inhumane.

Unfortunately one cannot accuse the author of bias, prejudice, or passion. Grant Foreman in this book is, par excellence, the objective, disinterested historian. He says in his Introduction, "The author has undertaken here merely a candid account of the removal of these southern Indians, so that the reader may have a picture of that interesting and tragic enterprise as revealed by an uncolored day-by-day recital of events. Nor has he attempted an interpretation of these events or of the actions and motives of the people connected with them." The book is made up of a detailed recital of the facts from authoritative original sources with liberal quotations from letters, records, and official documents. The blackest parts are in the authoritative quotations, not from Indians but from white people who had something to do with the heart-rending removal over the Trail of Tears.

People who have read the history of the relationship of our government with the Indians will find in these 386 pages authenticated instances of almost all the governmental or white barbarities of which they have ever heard, and, unless they are exceptionally well read, a considerable number of atrocities new to them. The tragic effect is heightened by both the dispassionate text and the illustrations. Every student of Indian history knows that the Five Civilized Tribes were far advanced in self-government, in culture, and in the ways of peace, but the record shows more advancement than the reviewer had pictured in his own mind. The Five Civilized Tribes were a really superior people. Their degree of advancement was in no small measure the cause of their ruin, because the white sought their houses, their developed farms, their live stock, and their slaves. The fact that the Indians had accumulated all these things and had become accustomed to a relatively high standard of living increased their suffering when they were driven across to Oklahoma with far less consideration for their health, safety, and well-being than a cattle man would take for a herd of steers being driven overland to market. Many of the drives were made in the dead of winter by government contractors who failed to supply the required transportation, food, and fuel. A beneficent government issued a single blanket to an entire family. The one idea was to get rid of the Indians so that the whites could take their property; what happened to the Indians was of no concern to the government or to most of the whites. Fortunately, among the whites were a few exceptions. Dr. Foreman presents some records that show individual white men rendering devoted self-sacrificing, even heroic service in the face of adverse popular sentiment and governmental callousness if not hostility.

The reviewer wishes that some genius would purchase the movie rights to this book and give us a great epic film on the Trail of Tears. It would be a fine thing if the American people could have dramatized for them the other side of Indian history. Grant Foreman has given the authoritative details for such a gripping picture.

LEWIS MERIAM

THE BROOKINGS INSTITUTION
WASHINGTON, D.C.

The Making of Adult Minds in a Metropolitan Area. By FRANK LORIMER. New York: Macmillan Co., 1931. Pp. xiv+245. $2.00.

Dr. Lorimer, the editor of this Report, served as director of research for the Brooklyn Conference on Adult Education during its study of the many influences playing upon adult minds of Brooklyn. The influences which come within the scope of this study cover a wide range, including technical training, vocational guidance, the museum, the press, the botanic garden, the churches, John Dewey, Jane Addams, radio programs, and the *New Republic*.

In a dozen case sketches the reader is allowed to see the effects of these forces on such individuals as Gus, the restaurant worker; Paulina, the date packer; and Mr. Tibbetts, the machinist who takes music lessons. These short presentations, designed to show what education means in an individual's life, leave one with the feeling that it certainly had not meant enough.

From the individual aspect the Report turns to the mass point of view. On the basis of its findings, the Conference estimates that possibly 40 per cent of Brooklyn's adult population have at some time taken part-time courses of some sort. The outstanding motive, which is not surprising, was found to be a desire to preserve economic security and to advance vocationally.

Resources for particular types of vocational training are reported to be more or less adequate, but resources are said to be inadequate to meet "less articulate needs" such as parental education, psychology, hygiene, history, social problems, decorating and design, everyday law, and miscellaneous studies.

The book begins with the thesis that rapid social changes, offering new opportunities to, and making new demands upon, adults necessitate a continuing "education" to equip them to live their lives vocationally, socially, and spiritually "on the adult level under present conditions." The Report concludes that the best agency to carry out this program is the public-school system—an opinion in which 74 per cent of those interviewed concur.

One closes the book with a sense of real appreciation for this view of the myriad influences playing upon these minds, yet wishing that one might somehow know more about what these forces meant in terms of social living.

DONALD S. HOWARD

UNIVERSITY OF CHICAGO

The Way of Health Insurance: An Author's Comment.

There is no intention on my part to criticize the very fair and able review[1] by Dr. I. M. Rubinow of *The Way of Health Insurance*, by Dr. Sinai and myself, but I believe that the explanation of a few points may clear up some misunderstandings on the part of other readers, perhaps less thoroughly familiar with the field than Dr. Rubinow. The "implication" which is disavowed but nevertheless, like some of the points of which the reviewer complains in the book, is apparent in the review, that the study was biased because of its sponsorship, is not one that can be denied or affirmed. Such things are too indefinite and even the psychoanalytic method of the reviewer does not always reveal them. Such bias was at least unconscious, and the fact that many of those opposed to health insurance have vehemently accused us of the opposite bias may throw some doubt on the accuracy of the reviewer's psychoanalysis.

It was the avowed purpose to treat of the human and medical rather than administrative phases of health insurance. This accounts also for the fact that little emphasis was placed on sickness insurance as a relief from poverty. Comments by European reviewers and others on the book have been unanimous in agreeing that the emphasis laid on the necessity of separating "poverty" from sickness insurance is justified. It is, of course, also true that the book was "not intended to help sell" health insurance but to give as impartial a view as possible of the facts about the effects of health insurance on the public and the profession. We believe that this attitude, instead of being a "defense reaction," is the only really scientific one.

We gladly invite comparison with the governmental publications, especially those of the International Labor Bureau, which can be easily shown to have deliberately suppressed and distorted facts in order to "sell" health insurance.

It is not quite true that "the medical professions throughout the world have shown a very antagonistic attitude to the whole scheme of health insurance." On the contrary, as stated, and quite well documented, in *The Way of Health Insurance:*

> There is practically no opposition in the medical professions of any insurance country to the principle of insurance. In spite of sharp criticisms and violent denunciations of details, the national associations of physicians and dentists have, over and over, formally approved the provision of health care to the lower-income classes through insurance.

Their opposition has been to features which the medical profession believe, and experience seems to confirm that belief, have led to such abuses as malingering, political corruption, and professional degradation.

This is at least one of the reasons why we believe that it is honestly impossible to give a final answer to the question "Are you for or against health insurance?" without knowing what sort of health insurance is meant.

A. M. SIMONS

CHICAGO

[1] See the preceding number of this *Review*, p. 151.

PUBLIC DOCUMENTS

FEDERAL RELIEF HEARINGS

Federal Aid for Unemployment Relief, Part 1: January 3–17, 1933; Part 2: February 2–3, 1933. Hearings before a SUBCOMMITTEE OF THE COMMITTEE ON MANUFACTURES, UNITED STATES SENATE, on S. 5125. Washington, D.C.: Government Printing Office, 1933. Pp. 533.

Further Unemployment Relief through the Reconstruction Finance Corporation. Hearings before a SUBCOMMITTEE OF THE COMMITTEE ON BANKING AND CURRENCY, UNITED STATES SENATE, on S. 5336. February 2 and 3, 1933. Washington, D.C.: Government Printing Office, 1933. Pp. 162.

These three publications represent the grist of relief "hearings" during the second session of the expiring Seventy-second Congress. The first volumes listed above are the hearings on the LaFollette-Costigan bill; and the witnesses are largely social workers, although a few economists, municipal reformers, and representatives of labor organizations, including President Green of the American Federation of Labor, are to be found among the witnesses. Part 2 includes supplementary material of the same kind.

No attempt will be made here to summarize the testimony in these hearings. Most of it covers ground that is now only too familiar. Social workers again are on record for all time as supporting adequate measures of public assistance although there is still great confusion in thinking through the problems involved. Inevitably the experience of the last four winters should make clear the great importance of abolishing the old poor-laws from the statute-books of nearly forty-eight states, and the setting-up of modern systems of public assistance in place of the old pauper relief administered by county commissioners and township supervisors.

Part 2 contains a very useful summary of the federal relief legislation from 1803 to July, 1932, when the sum of $300,000,000 was finally made available for loans to states for relief. Sums appropriated for distress abroad began in 1812 and continued through the European grants of the last decade. Federal grants for domestic use seem to have begun with special aid for sufferers from fire at Portsmouth, New Hampshire, in 1803 and include various kinds of help for emergency need following disasters of one kind and another. These conveniently compiled lists will be very useful.

The second group of hearings included witnesses who testified regarding the Wagner bill, and these witnesses include very few representatives of the social-

work group. There are special experts such as municipal authorities; civil, mechanical, and consulting engineers; architects' and various groups interested in public works, self-liquidating loans, and so on. One of the very few social workers who appeared before the Wagner Committee was Grace Abbott, who presented various material gathered by the United States Children's Bureau—relief statistics showing the vast expenditures during the last two years, results of surveys of rural and coal-mining communities, the spectacular survey of transients undertaken last year, and other ground now familiar to social workers. Miss Abbott also presented some figures that greatly interested the senators present—these were statistics showing that there were 4,488,477 families in whose behalf flour was requested by various groups and 4,202,367 families in whose behalf clothing was requested out of the supplies made available for distribution through the national Red Cross of government-owned wheat and cotton.

Miss Louise McGuire, of the National Catholic School of Social Service in Washington, D.C., representing the Washington Chapter of the American Association of Social Workers, presented the exigencies of the Washington situation and the need of public funds for the District of Columbia.

A new grist of hearings is in progress at the present time on the federal relief measures now before the special session of the new Congress.

RELIEF FOR THE UNEMPLOYED

Unemployment Insurance and Various Forms of Relief for the Unemployed. First discussion, International Labour Conference, seventeenth session, Geneva, 1932. Geneva: International Labour Office, 1933. Pp. vii+299. $1.50. Publications of the International Labour Office may be purchased from the World Peace Foundation, Boston, Massachusetts.

This is an excellent detailed analysis of the operation of unemployment insurance or relief legislation. The discussion covers the major points in such legislation, including definition of total or partial unemployment, scope, benefit conditions, benefits, source of funds, administrative organization, and treatment of foreigners. The study utilizes the usual method of the International Labour Office; viz., general statement of policies and methods under each heading, followed by a wealth of illustrative material from the practice and experience of the countries where legislation exists. The book clarifies many disputed issues by indicating chance factors or diverse principles underlying difference of method. It is invaluable for all persons in the United States interested in unemployment compensation legislation.

M. R. C.

UNEMPLOYED GERMANY

The Unemployment Problem in Germany: Translation of the Report of an Advisory Commission Appointed by the Federal Government. (Great Britain Ministry of Labour.) London: H.M. Stationery Office, 1931. Pp. 101. 1*s.* 6*d.*

This translation of the report of the Advisory Commission appointed by the German government to study and report on the problem of unemployment will be very useful to American students. Dr. Brauns, a former minister of labor, was chairman of the Commission, which included nine other men and women, among them the following who are probably known to some of our readers: Dr. Wilhelm Polligkeit, Frankfurt-on-Main; Dr. Friedrich Zahn, president of the Bavarian Statistical Office; Dr. Wilhelm Engler, president of the Hesse State Employment Exchange; and Frau Antonie Hopmann, secretary of the Catholic Women's Union.

TABLE I

Year	Average Number throughout the Year	
	Unemployed Persons	Recipients of Standard and Emergency Benefit
1928.....	1,390,987	1,029,694
1929.....	1,896,938	1,451,137
1930.....	3,075,580	2,158,049

At the first meeting of the Commission it was said that excessive unemployment of the preceding year had already called for "a fresh and thorough examination of the measures that might be taken to avert the consequences of the economic depression." For this purpose the government had selected this small Commission of impartial experts. It was intended that the Commission should carry out their task in complete independence of the government, although the government were prepared to give such assistance as they were able.

The Commission's report deals in the first part with the general problem which Germany has been facing and with the possible relief of unemployment by means of a distribution of such work as is available, particularly by the reduction of working hours and by restricting the carrying-on of secondary occupations.

The possibilities of creating additional work opportunities are dealt with in Part II of the report; and Part III, which is very important for American readers, is devoted to "Unemployment Insurance and Poor Relief."

The facts about the unemployment situation in Germany when the Commission was in session are shown in Table I.

During the year 1930, with the continued persistence and increasing intensity of the economic depression, in addition to the rise in the number of recipients of standard and emergency benefit, there was a continued expansion in the number of able-bodied unemployed persons in receipt of poor-relief (*Wohlfahrtserwerbslose*).

At the end of February, 1931, the Employment Exchange showed 4,971,843 unemployed; 2,589,314 in receipt of standard benefit, or 52.1 per cent of the unemployed; 907,665 in receipt of emergency benefit, or 18.3 per cent of the unemployed; and 900,508 in receipt of poor-relief, or 18.1 per cent of the unemployed.

The Commission examined the question of abolishing unemployment insurance entirely and substituting some kind of a relief system, but they finally recommended "unreservedly" that the insurance principle should be retained.

Finally, the Commission made it perfectly clear that they did not regard mass unemployment as an inevitable fate against which the German nation was powerless to fight.

CRIME IN NEW YORK

Report of the Crime Commission, 1931. State of New York (Legislative Document No. 114). Albany, 1932. Pp. 374.

In this report the Commission memorializes a former member, William Lewis Butcher, whose death was the occasion of a painful breach in the forces of those waging war against the enemies of youth. Those who saw Mr. Butcher at the International Penitentiary Congress in Prague and were conscious of his eager activities will not forget the stimulus received from him. The tribute to him in this report is moving and sincere.

The Commission reviews its work, calling attention to the legislation which has been secured and to the results in amplification of the resources for the custody of prisoners, in the extension of probation and parole agencies, in strengthening the control over the bail bond offenders, and in an extension of interest in crime prevention.

Its new recommendations deal with the subject of police training, restatement of the criminal law, revision of criminal procedure, the further development of psychiatric service, and amplification of custodial provisions, especially for women offenders. The Commission again renews its emphasis on the importance of criminal statistics and of the provision of agencies capable of keeping and furnishing the central bureau with adequate records. Among the interesting recommendations is the adoption of a uniform extradition act.

There are two appendixes, the first of which is devoted to, first, a report on foreign police systems in which the Commission calls attention to the absence of partisan political influence in foreign police organizations, second, a summary of multiple offender laws in the various states, and, third, the records of persons

who have been guilty of four offenses. The second appendix[1] is an interesting report of the Subcommittee on Causes and Effects of Crime which is devoted to the youthful offender. It contains a body of data assembled by Mr. Harry M. Shulman and is another evidence of the purpose on the part of students of criminology to push up the age of criminal responsibility and approximate it to that of civil responsibility. This is a study of the adolescent group, and the findings are so interesting that they are supplied for the reader as stated by the Commission (pp. 84–85).

The primary findings of this study have been put in condensed form for the convenience of the general reader. These condensed findings are necessarily general in nature, and the reader is urged therefore to consult the text for the more detailed findings. The major findings were the following:

I. Adolescent Youth in New York City Is Responsible for More Than Its Share of Major Crime. During 1929, there were, among the general male population, in New York City, 3,960 arrests per 100,000 population on serious charges, but among adolescent boys, ages 16–20 years, there were 4,780 arrests per 100,000 of boy population. Therefore, either the police are arresting far too many youths, or far too many youths are actually committing offenses.

II. Crimes Involving Danger, Violence, Adventure and Thrill Were Primary among Those Ascribed to Youths. The major offense of adolescent youth in 1929, in New York City, was auto theft. More than one-half of all arraignments among the entire male and female population of the city for this offense were among youths under 21. Burglary was a common crime, more than 30 per cent of all arraignments among the male population of the city being among boys under 21. Robbery was likewise a common crime, 25 per cent of all arraignments in the city being among boys under 21 years. Rape was also a common offense.

III. Ten Outstanding Crime Areas among Young Offenders Exist in New York City. A study of the residences of adolescents arraigned during 1929, on felony and serious misdemeanor charges, shows that ten outstanding crime areas exist in New York City, where crime prevention programs are urgently required. Eight of these areas are in Manhattan Borough, one in Brooklyn and one in the Bronx. In general, these areas are also known to be outstanding in juvenile delinquency, with three significant exceptions, indicated in the report.

IV. Criticisms Applicable to the Operation of Criminal Justice among Adults in New York City Are Equally Applicable to Its Operation among Youths. The operation of criminal justice among youths in New York City varies in no significant way from its operation among adults. *The proportion of youths who escape punishment is no less or no greater than that of adults.* Punishments, where applied to the guilty group, favor the adolescent group slightly, the indeterminate sentence and the use of the state reformatory being favored over the fixed minimum term and the use of the State Prison. However, a sizable number of state prison terms were given (272 cases) and a number of long prison terms of ten years and over were given (90 cases). Suspended sentences were given in almost equal proportion among adolescents and adults.

[1] Issued also as a separate publication—*The Youthful Offender, A Statistical Study of Crime among the 16–20 Year Age Group in New York City*, by Harry M. Shulman. 1932. Pp. 67–374.

Adolescents suffered from detention under unsanitary and morally contaminating conditions while awaiting trial. Originally, 90 per cent of them could not obtain bail, and at no time during the procedure were more than 22 per cent at liberty.

The use of assigned counsel was infrequent, occurring in but 287 cases.

Justice was cheapened by the common usage of bargaining between the defendant and the State for a basis on which the defendant would agree to plead guilty. By this process, the guilty escaped severe punishment and the innocent were perhaps tempted to take a plea rather than stand trial. In 1,214 out of 1,584 felony indictments, pleas were taken on reduced charges.

The procedures of the criminal courts were inexplicably slow, in view of the uncrowded condition of the felony courts and the tendency, as just shown, of cases to be disposed of without trial. Over 30 days was required to dispose of 40 per cent of the cases and of this group, one-half lagged from two months to six months before disposition.

The experiences associated with this dilatory process of justice were unfavorable for the protection of minors. Claims of physical violence by the police for the purpose of securing confessions; the actual fact of atrociously bad over-crowding and other physical and moral perils during the period of detention in city prisons and county jails; the tactics of criminal lawyers in coaching their young clients to plead first "not guilty" and later, "guilty," after a bargain had been struck with the court—all tend to the conclusion that *the process of justice in New York City must have a bad psychological effect on the impressionable young offender.*

V. The Status of the Individual Offender Was Given Scant Consideration by the Judge Who Pronounced Sentence. An examination of the social backgrounds of 110 young prisoners disclosed that judges, in pronouncing sentence, considered the offense rather than the offender, and did not even use the degree of discretion which was possible under the law. Best and worse cases, in point of social background, were sentenced indiscriminately to various institutions, despite the poor prognosis indicated in some backgrounds and the good prognosis in others.

PENAL LAWS OF NEW YORK

Prisoners, Their Crimes and Sentences: Special Report by the Commission To Investigate Prison Administration and Construction. Presented to the Legislature of the State of New York, February, 1933. Albany, 1933. Pp. 88.

This *Report* makes another contribution to the mass of information with reference to the accidentally incoherent, and irrational, character of criminal-law enforcement. It presents the results of an inquiry into the effects of penal administration under several statutes enacted with the purpose of "making the punishment fit the crime." It is the consequence of what the Commission calls

> the fundamental conflict between the program of rehabilitation which the state has accepted and put in operation after convicted offenders are received into its institutions and the penal laws that consider only the crime and not the offender. . . . . The result is that justice appears to be flouted with impunity, prisoners lose all sense of respect for the courts and citizens continue to receive the minimum and not the maximum protection they have the right to expect from their penal laws and correctional system.

The study shows how entirely lacking in equipment the courts are for securing analogous treatment for analogous offenses, how uneven the administration. Different things are called by the same name; the same thing is called by different names. The Commission, who pay special tribute to the services of Mr. Frederick A. Moran of the Division of Parole in the State Department of Corrections, have drafted on the basis of their investigation a series of recommendations which should be noted by legislators in any state who are attempting to modernize without wholly reconstructing their correctional systems.

CHILD HEALTH AND NUTRITION STUDIES

Publications of the White House Conference on Child Health and Protection: *Nutrition Service in the Field* [and] *Child Health Centers* (2 vols. in 1, pp. 139 and 57; $2.00); *Growth and Development of the Child*, Part III, *Nutrition* (pp. 532; $4.00). New York: Century Co., 1932.

The first of these volumes comprises a study of nutrition work done by field agencies, and a survey of child health centers. The first part of the book is devoted to the report of the Subcommittee on Nutrition. The development of nutrition services in different agencies is presented in order to show what programs have been adopted in attacking the general problem of malnutrition, and in teaching large groups of people what foods are necessary for normal growth and health. The need for well-trained nutritionists in the field of child health is discussed. It is believed that they must be prepared to teach the fundamental principles of nutrition to teachers, nurses, and social workers, who may then carry this knowledge to a far larger group than the nutritionist alone can hope to reach.

The second part of the book is devoted to the report of the Subcommittee on Child Health Centers. An extensive survey was made of the scope and administrative policies of agencies conducting such centers, and recommendations for improving and extending this service were submitted. The Subcommittee further defines clearly the function of these centers, as a part of the child health program of a community.

The book contains valuable information for agencies planning a nutrition service, or for those engaged in carrying on welfare centers for children, since it presents a summary of what is already being done, and makes recommendations as to what should be attempted in these two fields.

The report of the Committee on Growth and Development of the White House Conference is a comprehensive evaluation of all available data relating to nutrition. The book includes a general discussion of the meaning of growth and development; an appraisal of the foods which are ordinarily included in the diet; and a detailed discussion of the various food elements which are necessary for normal growth and health. The Committee also discusses the energy

requirements of children. Other factors, such as eating habits and psychological problems which may affect the child's nutrition, are considered.

The book is an invaluable résumé of the present knowledge of nutrition in relation to growth and development. The lists of references given at the end of each chapter include the most authoritative studies on the complicated problems of nutrition.

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EMPLOYMENT OF MIGRATORY CHILDREN IN NEW JERSEY

Report of the Commission To Investigate the Employment of Migratory Children in the State of New Jersey. Trenton, N.J., 1931. Pp. 131. *Supplement to the Report.* Trenton, N.J., 1932. Pp. 64.

Large-scale production of perishable vegetables and small fruits demands a seasonal labor supply to meet its concentrated needs. Because much of the work can be done by women and children, this demand in many farming areas is met by migratory family labor. In New Jersey, a leading state in the production of truck crops because of favorable natural conditions, combined with accessibility to New York and Philadelphia markets, the employment of nonresident families in seasonal agricultural work is a custom of long standing. Certain social problems are involved in this migration, chief of which are the curtailment of educational opportunities for the children of these families, the employment of young children, and the lack of adequate housing facilities. Pressed by the social and civic organizations of the state, the legislature appropriated moneys for an investigation of these conditions and the Governor appointed a commission to take charge of the study. A report was made in February, 1931, followed by a supplementary report in January, 1932, giving more details on questions of particular interest to certain organizations.

The survey, made in the spring, summer, and autumn of 1930, covered 580 families with 3,719 members, 2,226 of whom were under sixteen years of age. These families, most of them Italians from Philadelphia, begin to drift into New Jersey late in March or early April to harvest spinach and follow the crops through the succeeding months, some of them ending with cranberries in late October. A considerable proportion had been coming regularly for years—one family for as many as thirty-nine seasons.

The children of school age—between six and sixteen years of age—involved in this family migration numbered 1,798. Many of them were taken out of school in their home communities long before the end of the spring term and re-entered a month or two after school opened in the fall. Practically none of them attended the local schools. Of the 1,519 children who missed school time, 88 per cent lost

one month or more; 15 per cent lost three months or more. The highest number of school days lost by any one child was 149, 78 per cent of the total number of school days for Philadelphia children in that year. With this loss of time from school season after season, it is not surprising that a large proportion of these children were retarded. According to the Commission's findings, 61 per cent of the migrant children had not reached the school grades normal for their ages—almost twice the proportion found in the Philadelphia public schools as a whole. The cumulative effect of repeated periods of absence from school is still more striking. Of the 405 who were twelve or thirteen years old, 290 (72 per cent) were retarded, and of the 326 who were fourteen or fifteen years old, 274 (84 per cent) were over age for their school grade.

Children who work on New Jersey farms are not covered by the child-labor law, and it is of interest to contrast the standards for their employment with the standards found in non-agricultural pursuits. In any factory or mercantile establishment, the employment of children under fourteen is prohibited, and the working hours of children between fourteen and sixteen are limited to 8 hours per day, 6 days and 48 hours per week, such work to be performed between 7:00 A.M. and 7:00 P.M.

According to the Commission's findings, 73 per cent of the 1,342 children employed with their parents were under fourteen years of age and 19 per cent were under ten years. A working day of 10 hours was the commonly accepted standard in the harvesting of certain crops, such as tomatoes, beans, peas, apples, and berries. Forty per cent of all the working children in the study worked at least 10 hours a day, many of them for 7 days a week. Availability of work and type of produce picked determined the length of the work week. If the crop could stand a day or two after picking without spoiling, the children worked every day; on the other hand, if the produce was perishable, the workers had one day off each week, usually Saturday. The hours of beginning and ending work for the children were the same as for the parents. They went to work with them in the morning, sometimes as early as 4:00 A.M., and came home with them at night. The large majority started the work day by 7:00 A.M. Although all the children, particularly the younger ones, were not necessarily working without rest periods the whole time they spent in the field, the findings of the *Report* as to the amount of produce picked indicate that work was fairly steady for most of the children.

The average daily earnings reported for the children varied according to the crop picked—from $0.57 for picking raspberries to $2.64 for scooping cranberries. The average for all occupations was $1.17 for boys and $1.14 for girls, with corresponding weekly averages of $7.02 and $6.75. The *Report* does not state just how these amounts were arrived at. It is, of course, very difficult to obtain accurate figures for earnings of children in industries of this kind, in which work is done by the family group. In making its study of the work of children on truck and small-fruit farms in southern New Jersey, the Children's Bureau found that only 186 of 549 children could tell the exact amount earned even on

the day preceding the agent's visit.[1] Moreover, the method of presentation—by range and averages only—does not give a clear picture of the situation, because of the wide variations for children even of the same age, and in the same occupations.

One of the chief interests of the organizations instrumental in bringing about this investigation was the effect of this agricultural labor on the health and general well-being of the migrant children. The Commission recognized this concern in its statement that it felt "quite safe" in concluding that "the children were not subject to hardships" nor "on the average" were they "overworked." This conclusion was based on information gathered on three points: the supervision of the child while at work; the quantity of produce picked per day; and the change in weight of the children within a $1\frac{1}{2}$–3 months' working period.

Careful analysis of the facts actually presented in the *Report*, in the light of what is generally known about children and children's work, does not bear out these findings. One reason for the Commission's belief that the children were not overtaxed, for instance, was that most of the families were employed on a piecework basis and that the children "were working under the guidance and care of their parents who as a rule never exploit their children." Where the families were working on an hour or day basis, it was admitted that "there were cases of overworking," but the number of families and children involved was felt to be so small as not to change the general conclusions. The two assumptions underlying the Commission's conclusion, however, are not in keeping with the facts as developed in investigations of the work of children made by the Children's Bureau and other agencies. Through ignorance, poverty, and lack of understanding, some parents do exploit their children. Piecework is no protection; indeed, with poverty as a goad, it is an incentive to greater pressure on the child. One of the worst forms of child labor is to be found in industrial homework, where the child works directly with the parent on a piecework basis. Long hours of work, overexertion, and fatigue were also found by the Bureau in its studies of children employed in family groups in agriculture. Its study made in New Jersey of migratory farm laborers showed that conditions there were much the same as elsewhere.

To determine the relationship between the age of the child and the amount of produce picked, and fatigue, the Commission averaged the number of units of the various crops picked per day by children of each age and sex. The use of averages here, as in other places in the *Report*, obscures the picture, but nevertheless even the average number of units picked by some of the young children is so large that it indicates strain. Elsewhere in the *Report* there are figures giving range in the number of units picked per day per child. These are more revealing. There are cases of seven-year-olds picking 70–80 quarts of strawberries a day, for which they earned as much as $2.00. A nine-year-old girl picked 75 baskets of

[1] See *Work of Children on Truck and Small-Fruit Farms in Southern New Jersey* (U.S. Children's Bureau Publication No. 132; Washington, 1924), p. 38.

potatoes in one day. Another eleven-year-old girl picked 70 baskets of tomatoes a day and earned $19.50 a week. Twelve- and thirteen-year-olds scooped cranberries and earned as much as $22.00 a week. Earnings by these children as high, if not higher, than those of adults for the same type of work indicate that some of the children were doing work far beyond their strength. Furthermore, certain types of work in which they were engaged involve carrying heavy weights. Tomato-picking, for instance, in which 72 children were employed, requires continuous bending, but the greatest hardship involved is in carrying the filled baskets. The baskets, when full of tomatoes, weigh about 40 pounds. They must be lifted and carried from plant to plant as the child picks. Even women complain that after a day of lifting tomatoes they are utterly exhausted. Carrying potatoes is also the hardest part of the work of picking that crop. The full hampers, weighing about 30–35 pounds, must be carried across the field and dumped into barrels. Thirty-two children were reported as employed in this work.

Certainly the Commission's own evidence as to hours worked, kinds of work, and amounts of produce picked by children of the various ages might well lead to the conclusion that these child workers were being subjected to undue strain or their years.

The Commission also attempted to measure the influence of work on the weights of the children and concluded as a result of its study that "the increase was more or less in proportion to the normal increase for a given age." In the first *Report* no figures are given that indicate the number of children who lost weight or made no gain during the period. The weights for all the children of a given age at two different periods of time are averaged and the gain or loss in pounds revealed by the differences in these averages is given as an indication that the children were not suffering from overwork.

At the request of the social agencies the change in weight for each child and the time that elapsed between the two examinations was published in the *Supplementary Report*. From these figures it appears that only 57 per cent of the 248 children for whom the data were obtained gained in weight during the period between the examinations. The children were weighed at the beginning and at the end of the working season. For 72 children the examinations were held less than two months apart. Of these, 68 per cent showed a gain in weight as compared with 53 per cent of those who had worked for a longer period of time. If any significance is to be attached to the figures on weight presented by the Commission, the indications are that the work was affecting their health adversely. Certainly the large proportion (43 per cent) who showed no gain at all or who actually lost in weight during a season of the year, late summer and early fall, when, according to a recent report of the United States Public Health Service, children make the greatest gains in weight,[2] is in itself indicative that the child's growth was being retarded by his work or his living conditions, or both.

[2] Carroll E. Palmer, "Seasonal Variation of Average Growth in Weight of Elementary School Children," *Public Health Reports*, XLVIII, No. 9 (March 3, 1933), 211–33.

The Commission found that "certain conditions of overcrowding, lack of sanitation, and poor housing prevailed." One room to a family was common. In one case, 3 families lived in the same room. The average number of persons to a room was 2.3, but as many as 16 persons were found occupying the same room as sleeping quarters, and 1,445 persons—nearly two-fifths of the total number—slept 5 or more to a room. Two or 3 persons usually slept in one bed. In general there was no segregation by age or sex of persons sleeping in a room. Toilet facilities were sometimes unsanitary and inadequate. Seven houses had no toilet accommodations at all. In many places garbage was dumped near the dwellings, serving as a breeding-place for flies.

As a result of its survey, the Commission recommended the enactment of legislation providing for the schooling of migrant children and for the prohibition of employment during school hours of children under sixteen except those who could produce an age and schooling certificate issued in the state from which they came. It further recommended a code covering housing and sanitation. Bills along these lines were prepared by the Commission and introduced in the legislature of 1932, but all failed of passage.

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WORKING CHILDREN

Employed Boys and Girls in Milwaukee (U.S. Children's Bureau Publication No. 213). By ALICE CHANNING. Washington: Government Printing Office, 1932. Pp. 71. $0.10.

This is one of a series of studies undertaken to find out what kinds of jobs are held by minors and the extent to which sex, age at beginning work, and amount and type of education affect their wages and employment. The present study is based on the work histories of 8,447 boys and girls between fourteen and eighteen years of age in Milwaukee, in January, 1925, who were employed or had been employed since leaving regular school. Apprentices and employed minors other than apprentices are discussed separately.

It was found that children with elementary-school education or less were employed chiefly as factory operatives, in both their first and last jobs. Larger proportions of boys and girls with some high-school or business training were employed in clerical and store positions. Education had little effect on the wages of the boys; the girls with high-school education or commercial training earned more than those with eighth grade attainment or less. In general, boys with higher school attainment tended to work more steadily and shifted positions less than those with fewer years of schooling. Indentured apprentices had steadier employment and potentially larger wage-earning capacity though their wages at the time of the study were low.

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